

**SIGMA ELECTRIC MANUFACTURING CORPORATION PVT LTD.
WHISTLEBLOWER POLICY**

PURPOSE:

SIGMA ELECTRIC MANUFACTURING CORPORATION PVT LTD. (“**SIGMA**”) is committed to the highest possible standards of ethical, moral and legal business conduct. In line with this commitment, this Whistleblower Policy aims to provide an avenue for employees to raise concerns, if and as they appear, and reassurance that employees will be protected from reprisals or victimization for whistle blowing in good faith.

SCOPE:

This policy applies to all SIGMA employees, in Staff & Associates category. All SIGMA employees are eligible to blow the whistle under the present policy in the manner stated herein. However, the present policy neither releases SIGMA employees from their duty of confidentiality in the course of their work at SIGMA nor should the provisions of the present policy be misused by the employees for taking up a personal grievance.

POLICY:

The present policy is intended to cover serious concerns that could have a large impact on SIGMA, such as actions that:

- Are unlawful;
- May lead to incorrect financial reporting;
- Are not in line with SIGMA’s policy on ethical business practices or are otherwise inconsistent with ethical, moral and legal business conduct becoming of a responsible corporation.
- Otherwise amount to serious improper conduct by SIGMA and / or its employees.

SECTION 1: DEFINITIONS

The definitions of some of the key terms used in the present Policy are given below:

- 1.1. **“Complainant”** means any SIGMA employee, in Staff & Associates category making a Disclosure under the present policy.
- 1.2. **“Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity in relation to SIGMA and / or its employees including, without limitation, any activity that is opposed to tenets of this Policy.
- 1.3. **“Compliance Investigation Committee”** means a committee mainly of the Senior Managers authorized, appointed, consulted or approached by the

Company Compliance Officer for the purpose of investigation conducted under the present policy.

1.4. **“Subject”** means a person against or in relation to whom a Disclosure has been made or evidence gathered during the course of an investigation.

1.5. **“Whistle Blowing”** - Disclosing or demonstrating information in good faith by the Complainant that may evidence unethical or improper activity in SIGMA and / or its employees including, without limitation, any activity that is opposed to tenets of this Policy.

SECTION 2: PROCEDURE

Process of making a disclosure will be as follows:

2.1 Reporting:

2.1.1. Disclosures made by the Complainant relating to financial reporting, unethical or illegal conduct or concerning improper conduct should be reported in either of the following ways: Directly to Santosh Chavan, company Compliance Officer at 02135 -307192 or by e-mail at schavan@sigmaelectric.com. Alternatively documents can be mailed at the office address to SIGMA ELECTRIC MANUFACTURING CORPORATION , Gat 154/1,155/1; Mahalunge Village; Chakan Talegaon Road; Pune 4010501

2.1.2. Employment-related Disclosures should continue to be reported through the Functional Head/s or the Head of Human Resources.

2.1.3. Disclosures received by any other executive of SIGMA, i.e. other than the Chief Operating Officer or the Functional Head or the Head of Human Resources should be forwarded to the company Compliance Officer.

2.1.4. Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Complainant. Alternatively, Disclosures can also be reported orally to the Chief Operating Officer, company Compliance Officer, or the Functional Head or the Head of Human Resources. Oral reports will normally be documented by the company Compliance Officer, or the Functional Head or the Head of Human Resources.

2.1.5. Disclosures should be forwarded under a covering letter which shall bear the identity of the Complainant. The Chief Operating Officer or the Functional Head or the Head of Human Resources (as the case may be) shall detach the covering letter and forward only the Disclosures to the company Compliance Officer for investigation to be conducted under the present Policy.

2.1.6. Disclosures of the Complainant should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

2.1.7. Anonymous Disclosures: The present policy encourages Complainants to disclose their names at the time of making Disclosures because appropriate follow-up questions and investigation may not be possible unless the source of the information is identified. Disclosures expressed anonymously will be investigated after due consideration of the following:

- The seriousness of the issue raised
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources

2.1.8. Malicious Disclosures: Malicious Disclosures may result in appropriate disciplinary action being taken against those making Malicious Disclosures. If, in SIGMA's judgment, any Complainant is found having made 3 (three) or more Malicious Disclosures to SIGMA, he shall be barred from making any further complaints under the present policy.

2.2 How the Complaint will be handled:

2.2.1. The Compliance Investigation Committee is to submit a report on each Disclosure and a follow-up report on actions taken to the company Compliance Officer.

2.2.2. Initial Inquiries will be made by the company Compliance Officer or Functional Head or Head of Human Resources to determine whether an investigation is appropriate, and the form that it should take. Some concerns may be resolved by agreed action without the need for investigation.

2.3 Report to Complainant:

The Complainant will be given the opportunity to receive follow-up on their concern in two weeks:

- Acknowledging that the concern was received;
- Indicating how the matter will be dealt with;
- Giving an estimate of the time that it will take for a final response;
- Informing whether initial inquiries have been made;
- Informing whether further investigations will follow, and if not, why not.

2.4 Investigation:

- 2.4.1. The Disclosures reported under this Policy will be thoroughly investigated by the company Compliance Officer or the Functional Head or the Head of Human Resources of SIGMA who will investigate / oversee the investigation.
- 2.4.2. The Company Compliance Officer or the Functional Head or the Head of Human Resources may at their discretion, consider involving the Compliance Investigation Committee for the purpose of investigation in relation to the Disclosure under the present policy.
- 2.4.3. The decision to conduct an investigation taken by the Company Compliance Officer or the Functional Head or the Head of Human Resources is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may or may not support the conclusion of the Complainant that an improper or unethical act was committed.
- 2.4.4. The identity of Subjects and the Complainant will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- 2.4.5. Subjects will normally be informed of the Disclosure at the outset of a formal investigation and shall have opportunities for providing their inputs during the investigation.
- 2.4.6. Subjects shall have a duty to co-operate with the Company Compliance Officer or the Functional Head or the Head of Human Resources or with the Compliance Investigation Committee during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- 2.4.7. Subjects have a responsibility not to interfere with the investigation.
- 2.4.8. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- 2.4.9. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, Subjects should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and SIGMA.

2.5 Further Information:

The amount of contact between the Complainant and the body investigating the concern will depend on the nature of the issue and the clarity of information provided. Further information may be sought from the Complainant.

2.6 Evidence:

- 2.6.1. Although the Complainant is not expected to prove the truth of the Disclosures made by them, the Complainant needs to demonstrate that there are sufficient grounds for such Disclosures.
- 2.6.2. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.

2.7 Timing:

- 2.7.1. The earlier a concern is expressed, the easier it is to take action.
- 2.7.2. The investigation shall be completed normally within 60 days of the receipt of the Disclosures.

SECTION 3: COMPLIANCE INVESTIGATION COMMITTEE

- 3.1. The Compliance Investigation Committee will consist of Senior Managers appointed by the Company Compliance Officer to conduct a process towards fact-finding and analysis in relation to the Disclosure.
- 3.2. Technical and other resources may be drawn upon as necessary to augment the investigation.
- 3.3. The Compliance Investigation Committee shall be independent and unbiased both in fact and as perceived. Investigation committee has a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- 3.4. Investigations will be launched only after a preliminary review by the Company Compliance Officer or Functional Head or Head of Human Resources as the case may be, which establishes that:
 - 3.4.1. the alleged act constitutes an improper or unethical activity or conduct, and
 - 3.4.2. the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of management review. Provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or conduct.
- 3.5. The name of Complainant will also be kept confidential and shall not be shared with the Compliance Investigation Committee.

SECTION 4: LIMITATION ON THE CONDUCT OF THE COMPLAINANT

- 4.1. The Complainant's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- 4.2. Complainant should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Company Compliance Officer or Functional Head or Head of Human Resources.

SECTION 5: SAFEGUARD

- 5.1. Harassment or victimization or unfair treatment meted by the Complainant will not be tolerated by virtue of his/her having reported a Disclosure under the present Policy. SIGMA as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against the Complainant.
- 5.2. Protection under the present policy would not mean protection from disciplinary action arising out of Malicious Disclosures made by a Complainant knowing it to be false or made with a *malafide* intention.
- 5.3. Every effort will be made to protect the Complainant's identity to the extent possible and permitted under the law.
- 5.4. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Complainant.

SECTION 6: DECISION

If an investigation leads the Company Compliance Officer or the Functional Head or the Head of Human Resources to conclude that an improper or unethical act has been committed, the Company Compliance Officer shall take such disciplinary or corrective action as the Company Compliance Officer may deem fit and which is in line with the relevant laws applicable to the employees working at SIGMA. In case of an investigation conducted by the Functional Head or the Head of Human Resources, they shall recommend the action to be taken to the Company Compliance Officer based upon which the Company Compliance Officer shall take the appropriate disciplinary / corrective action. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

Decision taken by the Company Compliance Officer will be final & cannot be challenged.

SECTION 7: AMENDMENT

SIGMA reserves the right to modify or amend this policy in whole or in part, at any time as it may deem necessary without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees unless the same is notified to the Employees in writing.

WBP v.2
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