

THE INDIAN HUME PIPE COMPANY LIMITED

IHP Vigil Mechanism Policy

1. INTRODUCTION

The Company believes in the conduct of its affairs in a fair and transparent manner consistent with professionalism, honesty, integrity and ethics. To this extent the company has adopted the Code of Conduct (“the **Code**”) which lays down the principles and standards that governs its Directors and Employees.

In accordance with Section 177 (9) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 which has come into effect from 1st April, 2014, every listed company shall have to establish a vigil mechanism for directors and employees to report their genuine concerns or grievances.

The revised Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges which will be effective from 1st October 2014, inter-alia, mandates all listed companies to have a Whistle Blower policy providing for the following :

- a) Establishing a vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company’s code of conduct or ethics policy.
- b) The mechanism should also provide for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.
- c) The details of establishment of such mechanism shall be disclosed by the company on its website and in the Board’s report.

IHP Vigil Mechanism Policy (“**Policy**”) has been formulated to report concerns about unethical behavior, actual or suspected fraud or violation of the company’s code of conduct or ethics policy. It is to supplement the Code and provide employees with access to the Chairman of the Audit Committee of the Company, in appropriate or in exceptional cases.

A Whistle-blower is the reporting party. The Whistle-blower is not an investigator and should not undertake any investigation which is within the domain of the Audit Committee.

2. DEFINITIONS

- a) “**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies act, 2013, and read with revised Clause 49 of the Listing Agreement with the Stock Exchanges.

- b) **“Employee”** means every employee who is on the payroll of the Company, whether located in or outside India and who is subject to the control and direction of the Company, including regular and contractual employees. Employees will also include the Directors of the Company.
- c) **“Protected Disclosure”** means a concern raised by a written communication made in good faith that disclosed or demonstrates information that may evidence unethical or improper activity. Protected Disclosures should be factual and not speculative in nature.
- d) **“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation under this Policy.
- e) **“Whistle Blower”** is someone who makes a Protected Disclosure under this Policy.
- f) **“Company”** means, “The Indian Hume Pipe Company Limited”.
- g) **“Investigator(s)”** means those persons authorized, appointed, consulted or approached by the Audit Committee, which may include the auditors of the Company and the police.

3. PROTECTION

- a. There will be no discrimination or unfairness because of the making of a Protected Disclosure. As provided in the Code against discrimination. Protection will be available to such Director or Employee against retaliation, threat or intimidation (by way of termination, suspension of service, disciplinary action, transfer, demotion, refusal of promotion) or use of authority to obstruct the Whistle-blower’s right to continue to perform his duties / functions including making further Protected Disclosure. The Company will endeavour to minimize difficulties that the Whistle-blower may experience as a result of making the Protected Disclosure. If the Whistle-blower is required to give evidence in any legal disciplinary proceedings, the Company will arrange for the Whistle-blower to receive advice about the procedure, etc. Anonymous disclosures made by individuals without identifying themselves will not be given cognizance to. Whistleblowers must put their names to the Protected Disclosures, as follow-up questions and investigation may not be possible unless the source of the information is identified.
- b. The identity of the Whistle-blower shall be kept confidential to the extent possible subject to any legal requirements and / or exigencies.
- c. Any Employee assisting in any investigation required by the Audit Committee shall also be protected to the same extent as the Whistle-blower.

4. DISQUALIFICATION

- a. While genuine Whistle-blower are protected there should be no abuse of this Policy or the protection available under this policy.
- b. Any abuse of this Policy by knowingly making a false disclosure or with intent to victimise or harass innocents will warrant stern disciplinary action and may also invite legal proceedings.
- c. Any disclosure or information found to be dishonest or malicious will not be a Protected Disclosure and will not enjoy any confidentiality.

5. PROCEDURE

- a. All Protected Disclosures should be addressed to the Chairman of the Audit Committee of the Company for investigation.
- b. Protected Disclosures should be made in writing. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower, along with the contact details. The Chairman of the Audit Committee shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- c. The Protected Disclosures 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 and the urgency of a preliminary investigative procedure.
- d. Anonymous communications will not be acted upon.
- e. Protected Disclosures must be factual and as detailed as possible to allow for proper assessment.

6. INVESTIGATION

- a. All Protected Disclosures reported under this Policy will be investigated by the Chairman of the Audit Committee under the authorization of the Audit Committee.
- b. The Chairman of the Audit Committee may at his discretion, involve other investigator(s) as considered appropriate.
- c. The investigation is a fact finding exercise free from any bias.
- d. In the course of any investigation the effort must be to maintain confidentiality of the Whistle-blower and the identity(ies) of those subject to the investigation. Subject however to legal requirements or exigencies and subject to the needs of proper investigation.

- e. Those who are subject to an investigation will normally be informed of the allegations at the commencement. They will have a fair opportunity for providing inputs.
- f. Those who are subject to an investigation are duty bound to co-operate in the investigation.
- g. They may at any time engage legal counsel at their own cost to represent them in the investigation. If the allegations are found to be unsubstantiated then the Company may (but under no circumstances shall be obliged) to reimburse reasonable legal charges.
- h. There shall be no interference with the investigation including (but not limited to) tampering with witnesses or other evidence.
- i. Those who are subject to an investigation have the right to be informed of the outcome of the investigation.
- j. Investigations shall be completed as expeditiously as circumstances permit and shall normally be completed within 45 days of the receipt of the Protected Disclosure.

7. INVESTIGATORS

- a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee.
- b. The Audit Committee shall have the right to engage appropriate professionals (including independent legal counsel) for the purposes of or in the course of investigations.
- c. All Investigators are obliged to be objective and independent.
- d. Investigations will be commenced only after a preliminary review by the Chairman of the Audit Committee to assess whether:
 - i. the Protected Disclosure reveals activity that is improper or unethical; and
 - ii. Is supported by specific information.

8. DECISION

If an investigation concludes that an improper or unethical activity has been established then the Chairman of the Audit Committee shall recommend / direct to the management of the Company to take appropriate disciplinary or corrective action. Any disciplinary action shall be compliant with the Company's disciplinary procedure.

9. REPORTING

The Chairman of the Audit Committee shall periodically report to the Board of Directors all Protected Disclosure and the outcome.

10. RETENTION OF DOCUMENTS

All Protected Disclosures and the papers and reports of Investigators shall be preserved for such minimum period prescribed under the Companies Act, 2013 or any Rules framed thereunder.

11. AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. No such amendment or modification need be personally notified to any Employee and it will be sufficient notice to all Employees for any such amendment to be posted on the Company's intranet or Notice Board(s). This policy will be subject to company law and the rules framed thereunder from time to time.