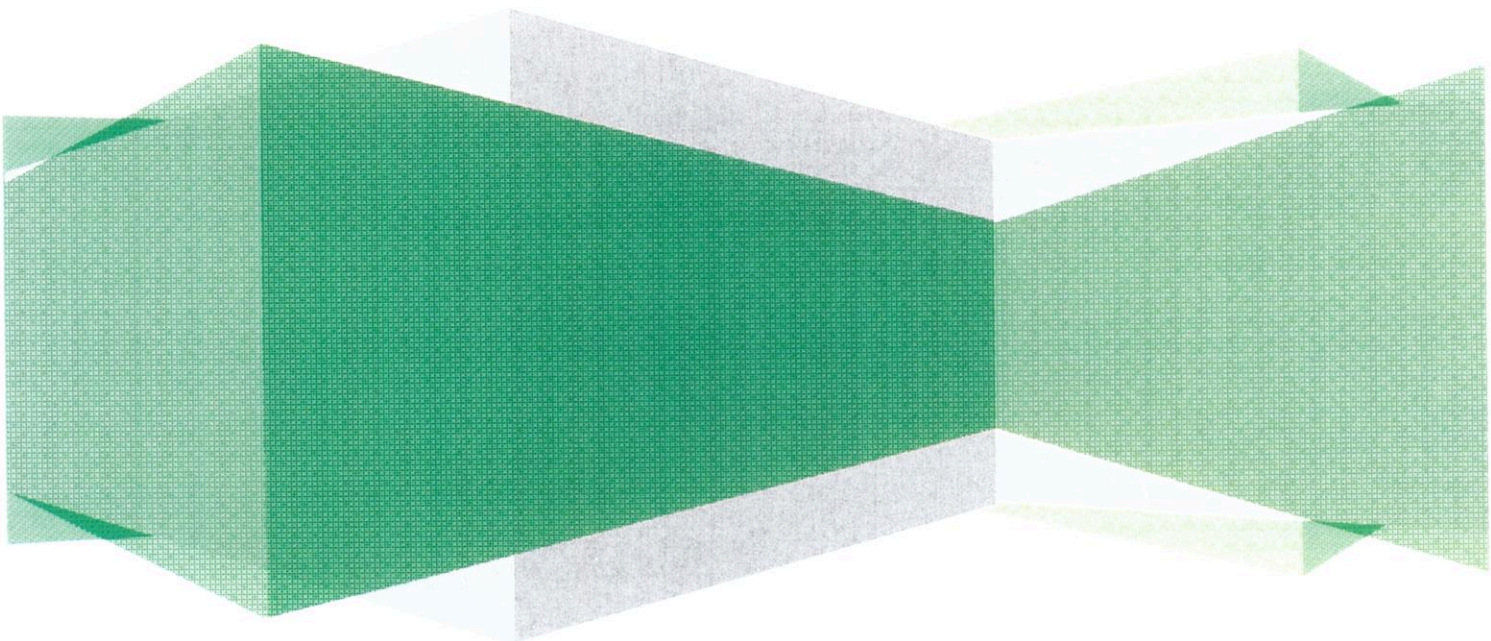


Schaeffler India Limited

VIGIL MECHANISM / WHISTLE BLOWER POLICY Board of Directors



1. Introduction

Pursuant to applicable provisions of section 177 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (hereinafter may be referred as 'Listing Regulations'), every listed Company is required to establish a Whistle Blower Policy / Vigil Mechanism for the directors and employees to report genuine concerns or grievances about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. Schaeffler India Limited ("Company") has adopted a Code of Conduct for Directors and Senior Management Executives ("the Code"), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The Vigil Mechanism is required to provide for *adequate safeguards against victimization of directors and employees* who follow such mechanism *and also make provisions for direct access to the Chairperson of Audit Committee in appropriate or exceptional cases*.

Under these circumstances, the Company establishes a Whistle Blower Policy/ Vigil Mechanism and formulates a policy (not only for its directors and employees but also for its stakeholders including suppliers, customers and other business associates – collectively referred to as "Stakeholders") as follows.

2. Objectives

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees, directors and stakeholders who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment, victimisation or unfair treatment. A Vigil (Whistle Blower) Mechanism provides a channel to the employees, directors and Stakeholders to report, to the Management, concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or legal or regulatory requirements or incorrect or misrepresentation of any financial statements and reports, etc.

3. Scope

This Policy intends to cover serious concerns that could have severe impact on the operations and performance of the business of the Company, like malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of the Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and which are formally reported by whistle blowers. This Policy also intends to provide whistle blower mechanism as well as process for investigation into leak/suspected leak of Unpublished Price-sensitive Information as contained in Code on Prohibition of



Insider Trading of the Company, framed under SEBI (Prohibition of Insider Trading) Regulations, 2015.

4. Definitions :

- 4.1 **“Audit Committee”** means the Audit Committee constituted / re-constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with Regulation 18 of Listing Regulations.
- 4.2 **“Code”** mean Code of Conduct for Directors and Senior Management Personnel adopted by the Company.
- 4.3 **“Company”** means Schaeffler India Limited.
- 4.4 **“Employee”** means every employee of the Company, including the director(s) in the employment of the Company.
- 4.5 **“Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. Protected Disclosures should be factual and not speculative in nature.
- 4.6 **“Subject”** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- 4.7 **“Unpublished Price-sensitive Information”** means such information as defined under the Code on Prohibition of Insider Trading of the Company.
- 4.8 **“Whistle Blower”** means a Director, an Employee or a Stakeholder making a Protected Disclosure under this Policy.
- 4.9 **“Whistle and Ethics Officer”** means an officer of the Company nominated by the Audit Committee to conduct detailed investigation under this Policy and to receive Protected Disclosure from Whistle Blowers, maintain record thereof, take initiatives for disposal, inform the Whistle Blower the results thereof and submit periodical report to the Audit Committee .

5. ELIGIBILITY

Whistle Blower are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

6. Coverage of Policy

- 6.1 The Policy covers malpractices and events which have taken place/suspected to have taken place including but not limited to the following:



- a) Abuse of authority
- b) Breach of conduct
- c) Negligence causing substantial and specific danger to public health and safety
- d) Manipulation of the Company's data/records
- e) Financial irregularities, including fraud, or suspected fraud
- f) Criminal offence
- g) Pilferage of confidential/proprietary information
- h) Deliberate violation of law/regulation
- i) Wastage/misappropriation of the Company's funds/assets
- j) Breach of Employee Code of Conduct/Ethics Policy or Rules
- k) Any other unethical, biased or discriminatory event
- l) Leak or suspected leak of Unpublished Price-sensitive Information

6.2 The Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

7. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES:

7.1 All Protected Disclosures should be reported in writing by the Whistle Blower as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised which may either be typed or written in a legible handwriting preferably in English, Hindi or regional language.

7.2 The Protected Disclosure must be submitted in a closed and secured envelope and should be superscripted as "**Protected Disclosure under the Whistle Blower Policy**". Alternatively, the same can also be sent through email with the subject "**Protected Disclosure under the Whistle Blower Policy**". If the complaint is not superscripted and closed as mentioned above, it will not be possible to protect the Whistle Blower and the Protected Disclosure will be dealt with as if it is a normal disclosure. In order to protect the identity of the Whistle Blower, the Whistle and Ethics Officer will not issue any acknowledgement to the Whistle Blower. The Whistle and Ethics Officer may seek further clarification, if required from the Whistle Blower.

7.3 The Protected Disclosure should be forwarded under a covering letter signed by the Whistle Blower to the Whistle and Ethics Officer, who shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

7.4 All Protected Disclosures should be addressed to the Whistle and Ethics Officer of the Company.

The contact detail of the Whistle and Ethics Officer is as under:-

Name: Mr. Abhay Jhina,

Address: Schaeffler India Limited,

15th Floor, (ASTP) Amar Sadanand Tech Park, Baner, Pune – 411 045.

Email: weo.india@schaeffler.com



- 7.5 Protected Disclosure against the Whistle and Ethics Officer should be addressed to the Chairman or the Managing Director of the Company and the Protected Disclosure against the Chairman or the Managing Director of the Company should be addressed to the Chairperson of the Audit Committee.

Name of Chairman: Mr. Avinash Gandhi

Address: Schaeffler India Limited,

15th Floor, (ASTP) Amar Sadanand Tech Park, Baner, Pune – 411 045.

Email: chairman.bm@schaeffler.com

Name of Managing Director: Mr. Harsha Kadam

Address: Schaeffler India Limited,

15th Floor, (ASTP) Amar Sadanand Tech Park, Baner, Pune – 411 045.

Email: harsha.kadam@schaeffler.com

Name of Chairperson of Audit Committee: Mrs. Renu Challu

Address: Schaeffler India Limited,

15th Floor, (ASTP) Amar Sadanand Tech Park, Baner, Pune – 411 045.

E-mail: chairperson.acm@schaeffler.com

- 7.6 The recipient of the Protected Disclosure shall ensure that a record of the Protected Disclosure is maintained and ascertain from the Whistle Blower whether he was the person who made the Protected Disclosure or not. The record will include:
- Brief facts;
 - Whether the same Protected Disclosure was raised previously;
 - Details of actions taken for processing the complaint;
 - Findings of the Whistle and Ethics Officer;
 - The recommendations of the Audit Committee, if any.

8. INVESTIGATION

- 8.1 All Protected Disclosures reported under this Policy will be thoroughly investigated by the Whistle and Ethics Officer, who will investigate / oversee the investigations.
- 8.2 The decision to conduct an investigation by itself is not an acceptance of the charge or accusation and is to be treated as a neutral fact-finding process because the outcome of the investigation may or may not support such charge or accusation.
- 8.3 The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of the investigation.
- 8.4 Unless there are compelling reasons not to do so, Subjects will be given reasonable opportunity of being heard during the investigation. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.



- 8.5 Subjects shall have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- 8.6 The Whistle and Ethics Officer shall ensure completion of the investigation within 45 days of the receipt of protected disclosure. When the Whistle and Ethics Officer is of the opinion that more time is required, he shall (for reasons recorded in writing), extend the period of investigation by maximum 30 days.
- 8.7 The Whistle and Ethics officer shall inform the Whistle Blower of the outcome of the investigation, either in person or in writing as appropriate, considering the interest of the organization. A Whistle Blower who is not satisfied with the outcome of the investigation may appeal to the Managing Director or to the Chairperson of the Audit Committee who may for reasons to be recorded in writing order a review of the investigation or declare the matter as closed.
- 8.8 In case of leak or suspected leak of Unpublished Price-sensitive Information, the inquiry/ investigation shall be initiated on becoming aware about such leak or suspected leak, with or without any protected disclosures received from any whistle blower in this regard.

9. PROTECTION

- 9.1 No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against the Whistle Blowers. A Complete protection will, therefore, be given to Whistle Blowers against any unfair practice.
- 9.2 Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 9.3 A Whistle Blower, who makes false allegation of unethical or improper practices or alleged wrongful conduct of Subject to the Whistle Blower and Ethics Officer (or to the Audit Committee as the case may be), shall be subject to disciplinary actions in accordance with rules, procedures or policies of the Company.

10. SECRECY / CONFIDENTIALITY

The Whistle Blower, Whistle and Ethics Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:

- Maintain confidentiality of all matters under this Policy
- Discuss only to the extent or with those persons as required under this Policy for completing the process of investigations.



- Not keep the papers unattended anywhere at any time
- Keep the electronic mails / files protected.

11. Disqualifications

- 11.1 While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- 11.2 Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a *mala fide* intention.
- 11.3 Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide*, *frivolous* or *malicious* shall be liable to stern action under Company's Code of Conduct.

12. RETENTION OF DOCUMENTS

All Protected Disclosures in writing or documented along with the results of investigation relating thereto, shall be retained by the Company for a period of 5 years or such other period as specified by any other law in force, whichever is more.

13. REPORTING, ADMINISTRATION AND REVIEW OF THE POLICY

A written quarterly report about all Protected Disclosures and the results of the investigations as well as the functioning of the Vigil Mechanism shall be placed before the Audit Committee by the Whistle and Ethics Officer. A quarterly status report on the total number of complaints received, if any, during the period with summary of the findings of Whistle and Ethics Officer and corrective steps taken shall be reported to the Audit Committee. The Chairperson of the Audit Committee may order for re-investigation/ask for additional facts if he/ she is not satisfied with the report of the Whistle and Ethics Officer. The Managing Director shall be responsible for the administration, interpretation, application and review of this Policy.

14. POLICY REVIEW/ AMENDMENTS

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the Policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

i. Statutory Updates



This Policy shall be considered as updated automatically, without any formal approval, to the extent it needs to be aligned with any change in law. An update thereon would be reported to the Audit Committee and Board of Directors.

ii. Other updates

All major procedural updates, shall be effective only, if those are carried out after the review and approval of the Board of Directors based on Audit Committee's recommendations.

