

Vigil Mechanism

L&T Howden Private Limited

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1.0 INTRODUCTION

1.1 Vigil Mechanism

Good governance is an integral part of the existence of a company. It inspires and strengthens investors' confidence by ensuring the company's commitment to higher goals and profits. This objective is achieved by adopting transparent procedures and practices, having in place effective machinery to address the concerns of all stakeholders, keeping shareholders informed about developments in the company and ensuring effective control over the affairs of the company.

The Company is committed to the highest possible standards of openness, probity, and accountability. In line with that commitment we expect directors and employees that we deal with, to come forward and voice genuine concerns.

Keeping this in mind and to facilitate this process, the Company has formulated a Vigil Mechanism Framework to enable directors and employees to report genuine concerns.

The Vigil Mechanism Framework is a structured process, which encourages and facilitates directors and employees to report without fear, wrongdoings or any unethical or improper practice which may adversely impact the image, credibility and/or the financials of the company, through an appropriate forum. The objective is to maintain a redressal system which can process all complaints concerning questionable accounting practices, internal accounting controls, or fraudulent reporting of financial information and anti- social conducts.

In other words, if directors and employees observe any wrongdoing that may adversely affect the company's image or financials they should assist in rectifying it by reporting it to the management for appropriate action.

1.2 Vigilant Person/Whistleblower/Tipster?

A '**Vigilant Person/Whistleblower/Tipster**' is a director or an employee, who finds that another director or employee or an outsider is engaged in a conduct which may inappropriately affect the image, credibility or financials of the Company and who may, without expecting any reward in return report the matter to the management as per the guidelines given below. Such a person is known as a '**Vigilant Person/Whistleblower/Tipster**' and the matter so reported by any employee or director of the company shall be considered to be under '**VIGILANCE**'.

1.3 Date of Implementation

This Vigil Mechanism comes into force from 4th February, 2015.

2.0 SCOPE

2.1 Applies to Whom?

This Vigil Mechanism Framework is applicable to every Director and employees L&T Howden Private Limited. The employees will include employees permanent or on contract, working in India or abroad on deputation or otherwise.

2.2 Acts of Wrongdoings may include acts as illustrated below but not necessarily be limited to the same:

- Forgery or alteration of documents
- Violations of the Code of Conduct
- Unauthorized alteration or manipulation of computer files
- Fraudulent financial reporting
- Questionable accounting, internal accounting controls or auditing matters
- Pursuit of a benefit or advantage in violation of the company's interest
- Misappropriation/misuse of Company's resources, like funds, supplies, or other assets
- Authorizing/receiving compensation for goods not received/services not performed
- Authorizing or receiving compensation for hours not worked
- Improper use of authority
- Release of Proprietary Information
- Kickbacks
- Theft of Cash/Assets
- Theft of Goods/Services
- Unauthorized Discounts/approvals/sanctions
- Falsification/Destruction of Company Records
- Fraudulent Insurance Claims
- Disclosure of confidential information
- Work Place Harassment
- Sexual Harassment
- Any other activity by an Employee/Director that is undertaken in the performance of the Employee's official duties, whether or not that action is within the scope of his or her duties, and which is in violation of any national or international law including statutory/ regulatory rules and regulations.

2.3 Matters pertaining to the following may be excluded from the purview of Vigil Mechanism Framework.

- Personal Grievances
- Dissatisfaction with appraisals and rewards
- Complaints relating to Service conditions
- Company Policies
- Suggestions for improving operational efficiencies

The Vigil mechanism will be implemented by the Audit Committee/Board through the Vigil Committee which will act as an Ombudsman Committee.

3.0 Composition & Role of Vigil Committee

3.1 Structure of the Committee

The Management of the Company is empowered to form a Vigil Committee which will act as an Ombudsman Committee and consist of Senior Executives. The Committee will meet once in a quarter or earlier, if need arises.

3.2 Responsibilities of Vigil Committee

- Receiving and acknowledging complaints
- Sorting / Screening / Short listing Investigation through appropriate delegation / agencies
- Interim communication to Audit Committee/Director
- Recommend course of action based on investigation to management
- Prevention and redressal of Vigilant Person/Whistleblower/Tipster harassment
- Any other related responsibility as decided by the management
- The decision on the course of action on the whistleblower's complaint as taken by the Committee will be final.

3.3 Meetings and Records

- The Vigil Committee will maintain its records such as Agenda, Minutes of the Meeting, Complaint Reports, and Action initiated etc.

4.0 PROCEDURE

4.1 How to report:

A perceived wrongdoing or an act for whistle blowing may be reported by a **Vigilant Person/Whistleblower/Tipster** in oral or written form.

- In the case of oral reports, the **Vigilant Person/Whistleblower/Tipster** may approach his immediate superior or the Departmental Head who should get the oral report converted into a written one. The written report should then be forwarded to the Vigil Committee.
- Disclosures should be factual and not speculative, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- Disclosures should be addressed to the Vigil Committee and those concerning the members of Vigil Committee or Disclosures by Directors should be addressed to the Chairman of the Audit Committee/Board.
- Upon receipt of the report from a whistleblower, Vigil Committee /Chairman of the Audit Committee/Board will acknowledge the same and will review and may deal with the complaint, in the manner as it deems necessary.
- Anonymous letters will not be considered.

5.0 PROTECTION OF VIGILANT PERSON/WHISTLEBLOWER/TIPSTER

5.1 Freedom to Report

Directors or Employees should feel free to report matters of wrongdoing to the Vigil Committee without fear of any repercussion on themselves. The management assures maintaining anonymity of the Vigilant Person/Whistleblower/Tipster at all times. The management also affirms that the whistleblower/person exercising vigilance shall be protected from unfair termination and any other unfair prejudicial employment practices, which the Vigilant Person/ Whistleblower/ Tipster may face from any quarters within the Company due to the act of whistle blowing/exercising vigilance.

5.2 Assurance of Protection/Confidentiality

If at any time, Vigilant Person/Whistleblower/Tipster perceives or apprehends that he is being unfairly victimized or harassed due to his act of whistle blowing/exercising vigilance, he shall have the right to approach the Vigil Committee who will review the Vigilant Person/Whistleblower/Tipsters complaint and take appropriate action, as applicable, to ensure that the Vigilant Person/Whistleblower/Tipster is not so subjected to any unfair or prejudicial employment practices on account of his alleged victimization.

The identity of the Whistle Blower shall be kept confidential to the extent possible however this shall not be applicable if any employee is called upon to disclose this issue by any judicial process and in accordance with the laws of India.

While it will be ensured that Whistle Blowers are accorded protection from any unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action. Protection under this policy does 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 bad faith or intention.

6.0 Review & Amendment

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Board shall have the right to change/amend the policy at any time at its discretion and the amendments shall be notified to the employees.

HIERARCHICAL STRUCTURE OF VIGIL MECHANISM

