

HERO MOTORS LIMITED

WHISTLE BLOWER MECHANISM POLICY

I. INTRODUCTION

Hero Motors Limited (hereafter referred to as “HML/Company”) believes in promoting a fair, transparent, ethical and professional work environment. While the HML code of conduct defines the expectations from employees in terms of their integrity and professional conduct, the vigil mechanism defines the mechanism for reporting deviations from the standards defined in the code.

The vigil mechanism is implemented not only as a safeguard to unethical practices rather this mechanism is intended also provides a structure for reporting genuine concerns or grievances and ensure that deviations from the Company’s Code of Conduct Policy are dealt with in a fair and unbiased manner as provided in Section 177 (9) and (10) of The Companies Act, 2013 and The Companies (Meetings of Board and its Powers) Rules, 2014.

II. SCOPE OF THE POLICY

The Company has made this Policy to comply with provisions as applicable under the provisions of The Companies Act, 2013. This Policy is applicable to Directors and employees of the Company, including persons employed or associated with Company on contractual/temporary/retainership basis.

III. OBJECTIVE

This Policy aims at providing a vigil mechanism for reporting actual or potential violations with respect to:

- a) Accounting or auditing irregularities, misrepresentations, fraud, theft, bribery, and other corrupt business practices.
- b) Significant safety or service quality issues.
- c) Discrimination or Harassment.
- d) Actual or potential conflicts of interest.
- e) To provide with a regulation concerning the reporting, investigation and settlement of incidents.
- f) To take suitable action against the concerned director or employee including reprimand in cases of repeated frivolous complaint;
- g) To provide for mandatory periodic review of the functioning of the Whistle blowing mechanism by the management.

IV. DEFINITIONS

- i. “Act” means The Companies Act, 2013 and rules framed there under, as amended from time to time;
- ii. “Audit Committee” means the Audit Committee of Directors constituted by the Board of Directors of the Company in accordance with Section 177 of the Act.
- iii. “Employee” means every employee of the Company (whether working in India or abroad), including contractual employees and the directors in the employment of the Company.
- iv. “Code” means the HML Code of Conduct.

- v. **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. It 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.
- vi. **“Whistle Blower”** means an employee or director making a Protected Disclosure under this Policy.

V. GUIDING PRINCIPLES OF VIGIL MECHANISM

For effective implementation of vigil mechanism, the Company shall ensure:

- a) Protection of the Whistle Blower against victimization for the disclosures made by him/her.
- b) Complete confidentiality of the Whistle Blower identity and the information provided by him/her.
- c) Protected disclosure is acted upon within specified timeframes and no evidence is concealed or destroyed.
- d) Investigation is conducted honestly, neutrally and in an unbiased manner.
- e) Whistle Blower does not get involved in conducting any investigative activities other than as instructed or requested by the Chairman of the Audit Committee.
- f) Other persons involved in relation with the Protected Disclosure be given an opportunity to be heard.
- g) Disciplinary actions are taken against anyone who conceals or destroys evidences related to protected disclosures made under this mechanism.

VI. PROTECTION OF WHISTLEBLOWER

- a) A Whistle Blower would be given the option to keep his/ her identity anonymous while reporting an incident. The Company will make no attempt to discover the identity of an anonymous Whistle Blower. If the Whistle Blower’s identity becomes known during the course of the investigation, HML will ensure that the identity of the Whistle Blower will be kept anonymous and confidential to the extent possible, unless required by law or in legal proceedings.
- b) No unfair treatment will be imposed 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 Whistle Blower. Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion or any act of direct or indirect use of authority to obstruct the Whistle Blower’s right to continue to perform his duties / functions including making further Protected Disclosure.
- c) Any other employee serving as witness or assisting in the said investigation would also be protected to the same extent as the Whistle Blower.
- d) Protection under this mechanism would not mean protection from disciplinary action arising out of false allegations made by a Whistle Blower.
- e) A Whistle Blower may not be granted protection under this mechanism if he/she is subject to a separate complaint or allegations related to any misconduct.

- f) If a complainant believes that he or she have been treated adversely as a consequence of their use of the vigil mechanism can approach the Chairman of the Audit Committee of HML in confidence.

VII. COVERAGE OF THE POLICY

The Policy covers malpractices and events which have taken place/suspected to take place involving:

- a) Inaccuracy in maintaining the Company's books of account and financial records.
- b) Financial irregularities or misappropriations, including fraud or suspected fraud of deficiency in internal control and check or deliberate error in preparations of financial statements or misrepresentations of financial reports.
- c) Procurement fraud
- d) Conflict of interest and breach of contract
- e) False expense reimbursements
- f) Misuse of company assets & resources
- g) Inappropriate sharing of company sensitive information
- h) Corruption & bribery
- i) Non-adherence to safety guidelines or negligence causing substantial and specific danger to public health and safety;
- j) Sexual harassment
- k) Child labour
- l) Discrimination in any form
- m) Violation of human rights
- n) Inappropriate sharing of Company's sensitive information;
- o) Abuse of authority at any defined level in the Company
- p) Manipulation of Company's data/records;
- q) Any unlawful act whether Criminal/Civil;
- r) Any other unethical, biased, favored, imprudent event which does not conform to the approved standard of social and professional behavior.

Any matter not covered under this Policy can be reported directly to the HR Department.

VIII. REPORTING MECHANISM

- a) The Whistle Blower (i.e all Employees/stakeholders) is expected to bring forward the concerns or complaints about issues listed under Section VII- "Coverage of the Policy".
- b) The Whistle Blower shall make a Protected Disclosure as soon as possible but not later than 15(fifteen) days after becoming aware of any genuine concerns/grievances. Disclosures should be made in writing and shall be submitted to the Chairman of the Audit Committee.
- c) The Protected Disclosure if received by any executive of the Company other than Chairman of Audit Committee then such disclosure would be taken into cognizance and forwarded to the Chairman of the Audit Committee for further appropriate action.
- d) Protected Disclosure against the Chairman of the Company should be addressed to the Chairman of the Audit Committee. Protected Disclosure against the Chairman of the Audit Committee should be addressed to the Board.

IX. INVESTIGATION

- a) The investigation would be carried out to determine the authenticity of the allegations and for fact-finding process.
- b) The investigation team should not consist of any member with possible involvement in the said allegation.
- c) During the course of the investigation:
 - Audit Committee will be given authority to take decisions related to the investigation.
 - Any required information related to the scope of the allegation would be made available to the investigators.
- d) The findings of the investigation should be submitted to the Chairman of the Audit Committee by the investigator with all the supporting documents.

X. MAINTAINING SECRECY AND CONFIDENTIALITY

HML expects individuals involved in the review or investigation to maintain complete confidentiality. If anyone fails to maintain confidentiality, he/she shall be liable for such disciplinary action as considered fit by the Audit Committee.

XI. REVIEW AND AMENDMENTS

Any or all provisions of this Policy would be subject to revision/amendments in accordance with the guidelines on the subject as may be issued from Government, from time to time.

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever in accordance with applicable law.

XII. RETENTION OF DOCUMENTS

All Protected Disclosures in writing or documented along with the results of investigation relating thereto, shall be retained by for a period of 8 (eight) years or such other period as specified by any other law in force, whichever is more.

XIII. GENERAL

In case of any doubt with regard to any provision of the Policy and also in respect of matters not covered herein, a reference to be made to the HR Department/Company Secretary of the Company.
