

VERITAS (INDIA) LIMITED

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

1. INTRODUCTION

Veritas (India) Limited (“the Company”) believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Towards this end, the Company has adopted the ‘Code of Conduct for Board of Directors and Senior Management (“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 role of the employees in pointing out such unethical behavior, actual & suspected, fraud or violation of the Code of the Conduct cannot be undermined.

Employees are required to report actual or suspected violations of applicable laws and regulations and the Code of Conduct, and the Company has no obligation to ensure that there is a procedure in place to enable the reporting of such violations.

Section 177 of the Companies Act, 2013 requires every listed and prescribed class of companies to establish a Vigil Mechanism for the Directors and Employees of the Company to report genuine concerns affecting the Company in such manner as may be prescribed.

Regulation 22 of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation, 2015, inter alia provides for a mandatory requirement for all the companies to establish a vigil mechanism for directors & employees to report to the management concerns about unethical behavior, actual or suspected, fraud or violation of the Code of the Conduct or ethics policy. This mechanism is also required to provide for adequate safeguard against victimization of the directors or employees or any other person to avail of the mechanism and also provide for the direct access to the Chairman of the Audit Committee of the Company. Once, established the existence of the mechanism is to be appropriately communicated within the organization.

Accordingly, this Whistleblower Policy / Vigil Mechanisms (“the Policy”) has been formulated with a view to provide a mechanism for directors and employees of the Company to approach the Chairman of the Audit Committee of the Board to report genuine concerns about unethical behavior, actual or suspected fraud or violations of the Code of Conduct or policy.

2. DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

Capitalized terms not defined herein shall have the meaning assigned to them under the Code.

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 Clause 18 of the Listing Agreement with the Stock Exchanges.

b. **“Employee”** means every employee of the Company (whether working in India or abroad and whether temporary or permanent, those on deputation etc.), including the Directors in the employment of the Company.

c. **“Code”** means the Code of Conduct for the Board Members and Senior Management of the Company.

d. **“Investigators”** mean those persons authorized, appointed, consulted or approached by the Chairman of the Audit Committee and includes the auditors of the Company and the police.

e. **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

f. **“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.

g. **“Whistle Blower”** means an Employee making a Protected Disclosure under this Policy.

3. SCOPE

a. This Policy is an extension of the Veritas Code of Conduct. The Whistle Blower’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. The Whistle Blowers provide the initial information related to a reasonable belief that an improper or unethical practice has occurred.

b. The Whistle Blower’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.

c. Protected Disclosure will be appropriately dealt with by the Chairman of the Audit Committee, as the case may be.

4. ELIGIBILITY

All Directors and Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

5. DISQUALIFICATIONS

a. 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.

b. 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.

c. Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide* or malicious or Whistle Blowers who make 3 or more Protected Disclosures, which have been

subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

6. PROCEDURE

a. All Protected Disclosures concerning financial, accounting, internal controls and auditing issues and those concerning himself should be addressed to the Chairman of the Audit Committee of the Company for investigation.

b. If a protected disclosure is received by any director or executive of the Company other than Chairman of Audit Committee, the same should be forwarded to the Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower confidential.

c. Protected 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 Whistle Blower.

d. In order to protect the identity of the complainant, no acknowledgement will be issued to the Whistle Blower and they are advised not write their name / address on the envelope nor enter into any further correspondences with the Chairman of the Audit Committee.

e. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. Anonymous disclosures will not be entertained.

h. 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.

7. INVESTIGATION

a. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Chairman of the Audit Committee of the Company in accordance with the normal procedure. The Chairman of the Audit Committee of the Company may at his discretion, consider involving any Investigators to investigate / assist himself in Investigation.

b. Investigation will only be launched after a preliminary review by the Chairman of the Audit Committee which establishes that:

- i. The alleged act constitutes unethical behavior, actual or suspected fraud or violation of the code or any other unethical or improper activity or conduct, and
- ii. The allegation is supported by information specific enough to be investigated.

c. The decision to conduct an investigation taken by the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.

d. The identity of a Subject shall be kept confidential to the extent possible subject to the legitimate needs of the law and the investigation. will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

f. Subjects will normally be informed of the allegations at the outset of a formal investigation and shall be given reasonable opportunity of being heard and for providing their inputs during investigation.

g. Subjects shall have a duty to co-operate with the Chairman of the Audit Committee or any of the Investigators during investigation to the extent that mere co-operation sought does not require them to admit guilt.

h. Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.

g. Subjects 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. If the subject is found indulging in any such actions, they will be make themselves liable for disciplinary actions.

i. 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.

j. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

k. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

8. PROTECTION

a. 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 Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any 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. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.

b. A Whistle Blower shall have the right to approach the Chairman of the Audit Committee for relief in case he /she observes that he / she is subjected to any unfair treatment / victimization as aforesaid as a result of his Protected Disclosure. In such cases, the Chairman of the Audit Committee may order investigation and provide appropriate relief to the Whistle Blower.

c. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.

d. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

e. While management is determined to give appropriate protection to the genuine Whistle Blower, the employees at the same time are advised to refrain from using this facility for furthering their own personal interests.

9. INVESTIGATORS

a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Ethics Counsellor / Audit Committee when acting within the course and scope of their investigation.

b. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.

c. Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee or the Ethics Counsellor, as the case may be, which establishes that:

i. the alleged act constitutes an improper or unethical activity or conduct, and

ii. 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.

DECISION

If an investigation leads Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Chairman of the Audit Committee may deem fit. 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.

REPORTING

The Chairman of the Audit Committee shall report any issues raised before him, under this policy, to the Board of Directors after the investigation is completed and the report is submitted to the Audit Committee along with the recommendations.

The Chairman should also report to the Audit Committee the concerns raised, if any, for victimization for employment related matters by the Whistle Blower and actions taken thereon.

The Audit Committee shall review on a regular basis the above reports.

RETENTION OF DOCUMENTS

All Protected Disclosures documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of five years.

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. Unless otherwise specified, such amendments shall come into effect from the date of the meeting of the Board of Directors at which such amendment are approved.

DISSEMINATION

The copy of this policy shall be provided to every employee on requisition. The establishment of the vigil mechanism shall also be disclosed on the Company's website and in the Board's Report.

This Policy is approved by the Board of Directors at their meeting held on 12th August, 2016.