

Whistle Blower Policy of Voith Paper Fabrics India Limited

1. Preface

- The Voith Group has expressed its principles of business conduct, way back in 1927, as follows: "In the business world one must be ethical, decent and honest. If a contracting party or competitor behaves unfairly, this does not give us a right to deviate from this principle."

This Policy has been prepared in pursuance of the provisions contained in the Companies Act, 2013 and Clause 49 of the Listing Agreement, as amended from time-to-time, that casts an obligation on a listed company to establish a vigil mechanism for the directors and employees to report their genuine concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct.

The mechanism shall also provide for adequate safeguards against victimization of director(s) or employee(s) who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in exceptional cases.

2. Definitions

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

- "Audit Committee" means the Audit Committee constituted by the Board of Directors of Voith Paper Fabrics India Limited (the Company) in accordance with Section 177 of the Companies Act, 2013, read with Clause 49 of the Listing Agreement with the Stock Exchange – BSE Limited.
- "Employee" means every employee of the Company, including the Directors, if any, for the time being in the employment of the Company.
- "Nodal Officer" means an officer of the Company nominated, from time-to-time, by the **Managing Director (MD)**, to receive Protected Disclosures from Whistle Blowers; maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.
- "Code" means the **Code of Conduct of the company**, as amended and in force, from time to time.
- "Investigators" mean the persons authorized, appointed, consulted or approached by the Audit Committee to investigate the complaint and include the auditors of the Company.
- "Protected Disclosure" means any communication by an Employee of the company in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- "Subject" means a person or group of persons against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- "Whistle Blower" means an Employee making a Protected Disclosure under this Policy and also referred in this policy as **Complainant**.

3. Scope

The Whistle Blower scheme / policy is formulated to provide an avenue to the employee and directors of the company to report any unethical, fraudulent behavior, etc. without any fear of any kind of reprimand.

The policy intends to provide safeguard to all employees and/or directors if reporting about following information of suspected unethical and improper practices or wrongful conduct that such employee and/or director believes to exist in good faith:

- a) Manipulation of company data / record
- b) A substantial and specific danger to public health safety.
- c) An abuse of authority.
- d) Leaking confidential or proprietary information.
- e) Violation of any law or regulations.
- f) Gross wastage or misappropriation of Company funds / assets.
- g) Activities violating policies of the company including code of conduct.

The above list is only illustrative and should not be considered as exhaustive. This Policy should neither be used as a grievance reporting procedure, including but not limited to settling personal issues pertaining to compensation, increment, promotion, job location, job profile, immunities, leaves and training or other privileges, nor be resorted to as a means for raising malicious or unfounded allegations against colleagues/seniors.

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4. Eligibility

All Employees and Directors of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to any suspected or actual unethical or improper conduct / activity / matter concerning the Company only, including those pertaining to violations about financial reporting, bribery, insider trading, etc., which might adversely affect the reputation and / or the working environment of the Company.

5. Disqualifications

- 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.
- 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.
- Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be mala-fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, the Company / Audit Committee would reserve its right to take / recommend appropriate disciplinary action.

6. Procedure

- All Protected Disclosures should be directly and confidentially addressed to the Nodal Officer of the Company, with tangible evidence of unethical or improper conduct/activity/matter.
- This Policy provides direct access to the Chairman of the Audit Committee in exceptional cases.
- 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 or Hindi by the Whistle Blower.
- The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The Nodal Officer/ MD /Chairman of the Audit Committee shall detach the covering letter bearing the identity of the Whistle Blower and forward only the Protected Disclosure to the Audit Committee and if the Audit Committee deemed it fit, forward the Protected Disclosure to the Investigators for investigation.
- Protected Disclosures should be factual and not speculative or in the nature of interpretation or 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.
- Anonymous disclosures will not be entertained by the Audit Committee as it would not be possible for it to interview the Whistle Blowers.
- The Whistle Blower must disclose his/her identity together with his/her complete contact details, in the covering letter forwarding such Protected Disclosure. In order to protect the identity of the complainant, the Nodal Officer may not issue any acknowledgement to the complainant and the complainant shall not enter into any further correspondence with the Nodal Officer.
- All Protected Disclosures shall be addressed to the Nodal Officer of the Company. The contact details of the Nodal Officer are as under:

Name, Address and e-mail ID of the Nodal Officer: - Mr. Kalyan Dasgupta, 113/114A, Sector - 24, Faridabad - 121005, Delhi NCR. E-mail ID: Kalyan.Dasgupta@Voith.Com

Protected Disclosure against the Nodal Officer should be addressed to the MD of the Company and Protected Disclosure against MD should be addressed to the Chairman of the Audit Committee. The contact details of the MD and the Chairman of the Audit Committee are as under:

Name, Address and e-mail ID of the MD: - Mr. R. Krishna Kumar, 113/114A, Sector - 24, Faridabad - 121005, Delhi NCR. E-mail ID: Krishna.Kumar@Voith.Com

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Name, Address and e-mail ID of the Chairman of the Audit Committee: - Mr. Surinder Kumar Nagpal, Apt. No. 1603, Tower - I, The Palms South City - I, Gurgaon - 122 001. E-mail ID: sknagpal@hotmail.com

On receipt of the protected disclosure, the Nodal Officer/MD/Chairman of the Audit Committee shall make a record of the Protected Disclosure and also ascertain from the complainant whether s/he was the person who made the protected disclosure or not before referring the matter to the Audit Committee for further investigation and needful action. The record will include:

1. Brief facts of the complaint;
 2. Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
 3. Whether any Protected Disclosure was raised previously on the same subject;
 4. Details of actions taken by the Nodal Officer/ MD/Chairman of the Audit committee for processing the complaint;
 5. Findings of the Audit Committee;
 6. The recommendations of the Audit Committee / other action(s).
- The Audit Committee may call for further information or particulars from the complainant.

Besides the above authorities, a whistle-blower may report the matter directly to the Compliance Committee of the Voith Group at the e-mail ID: Compliance@Voith.Com

7. Investigation

- All Protected Disclosures reported under this Policy will be thoroughly investigated by the Investigators, who will investigate the complaints received under the authorization of the Audit Committee.
- Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Audit Committee or the Investigators.
- Protected Disclosures involving or relating to the Nodal Officer / MD which in the opinion of the Audit Committee may hamper the independence of the Nodal Officer / MD in conducting the investigation will be investigated by the Audit Committee itself.
- The Audit Committee may at its discretion, consider involving any Investigators for the purpose of investigation.
- 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.
- The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- Subjects shall have a duty to co-operate with Audit Committee or any of the Investigators during investigation to the extent that such co-operation sought does not merely require them to admit guilt.
- 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. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- 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.
- 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.

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- 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.
- The investigation shall be completed normally within 30 days of the receipt of the Protected Disclosure and is extendable by such period as the Audit Committee deems fit.

8. Protection

- 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 or 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. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.
- A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- Protected Disclosure will be appropriately dealt with by the Audit Committee.
- A Whistle Blower will not be victimized / harassed on making a Protected Disclosure.
- The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Whistle Blowers are cautioned that their identity may become known for reasons outside the control of the Audit Committee (e.g. during investigations carried out by Investigators).
- Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- Provided however, that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith and assessed as such by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary action. This policy does not protect an employee from an adverse action taken, independent of his disclosure of unethical and improper practice etc., unrelated to a disclosure made pursuant to this policy.

9. Investigators

- Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.
- 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.
- Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall act in an independent and unbiased manner. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- Investigations will be launched only after a preliminary review which establishes that:
 - the alleged act constitutes an improper or unethical activity or conduct; and,
 - either the allegation is supported by information specific enough to be investigated, or matters that do not meet this standard may be worthy of management review, but investigation itself should not be undertaken as an investigation of an improper or unethical activity.

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10. Decision and Reporting

- The Nodal Officer shall submit a report to the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.
- If an investigation leads the Audit Committee to conclude that an improper or unethical act has been committed, the Audit Committee shall direct the MD of the Company to take such disciplinary or corrective action as the Audit Committee deems 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.
- In case the Subject is Nodal Officer of the company, the Protected Disclosure shall be addressed to the MD, who after examining the Protected Disclosure shall forward the matter to the Audit Committee. The Audit Committee after providing an opportunity to the Subject to explain his position and upon receipt of findings of the investigation report in the matter shall make such recommendation to the MD as it may deem fit. After considering the report and recommendation as aforesaid, MD shall forward the said report with its recommendation to the concerned disciplinary authority for further appropriate action in this regard or shall close the matter, for which he shall record the reasons. Copy of the above decision shall be forwarded to the Audit Committee, the Nodal Officer, the complainant and the Subject.
- In case the Subject is the MD of the company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the Protected Disclosure to other members of the Audit Committee, if deemed fit. The Audit Committee shall appropriately and expeditiously investigate such Protected Disclosure.
- A complainant, who makes false allegations of unethical & improper practices or about wrongful conduct of the Subject to the Nodal Officer / MD/ Chairman of the Audit committee, the Audit Committee, shall be subject to appropriate disciplinary action in accordance with the Code of Conduct and Standing Orders of the Company.

11. Access to Chairman of the Audit Committee

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

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 minimum period of eight years or such other period as specified by any other law in force.

13. Communication

A Whistle Blower Policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through a notice on the notice board and the website of the company.

14. Administration and Review of the Policy

The MD and Chairman of the Audit Committee shall be responsible for the administration, interpretation, application and review of this Policy.

15. Annual Affirmation

The Company shall annually affirm that it has provided protection to the complainant from unfair adverse personal action.

16. 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. However, no such amendment or modification will be binding on the Employees unless the same is notified to them.
