

GNA AXLES LIMITED

2015 VIGIL MECHANISM POLICY

PREAMBLE

GNA Axles Limited (the “**Company**”) is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

Section 177 (9) of the Companies Act, 2013 mandates the following classes of companies to constitute a vigil mechanism:

- Every listed company;
- Every other company which accepts deposits from the public;
- Every company which has borrowed money from banks and public financial institutions in excess of Rs. Fifty crores.

Further, Clause 49 of the Listing Agreement between listed companies and the stock exchanges provides for a mandatory requirement for all listed companies to establish a mechanism called the ‘Whistleblower Policy’ for directors and employees to report concerns of unethical behavior, actual or suspected, fraud or violation of the company’s code of conduct or ethics policy.

Accordingly, the Company has formulated the 2015 Vigil Mechanism Policy (the “**Policy**”) with a view to provide a mechanism for directors and employees of the Company to approach the Audit Committee of the Board of Directors of the Company to report to the management, any actual or possible violations contemplated under the Policy.

DEFINITIONS

“**Audit Committee**” means the Audit Committee of the Board of Directors of the Company constituted in accordance with Section 177 of the Companies Act, 2013 and read with Clause 49 of the Listing Agreement with the Stock Exchanges.

“**Company**” means GNA Axles Limited.

“**Employee**” means every employee of the Company (whether working in India or abroad), including the directors in the employment of the Company.

“**Protected Disclosure**” means a written communication of a concern made in good faith, which discloses or demonstrates information that may evidence an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the Company.

“**Subject**” means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

“Vigilance Officer/Vigilance Committee or Committee” is a person or Committee of persons, nominated/appointed to receive Protected Disclosures from Whistleblowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistleblower the result thereof.

“Whistleblower” is a Director or employee who makes a Protected Disclosure under this Policy.

SCOPE

1. The Policy covers disclosure of any unethical and improper or malpractices and events which have taken place/ suspected to take place involving:
2. Breach of the Company’s Code of Conduct for Directors & Senior Management Personnel
3. Breach of business integrity and ethics
4. Breach of terms and conditions of employment and rules thereof
5. Intentional financial irregularities, including fraud, or suspected fraud
6. Deliberate violation of laws/regulations
7. Gross or wilful negligence causing substantial and specific danger to health, safety and environment
8. Manipulation of company data/records
9. Pilferation of confidential/propriety information
10. Gross wastage/misappropriation of Company funds/assets

ELIGIBILITY

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

PROCEDURE

All Protected Disclosures should be reported in writing by the Whistleblower as soon as possible, not later than 30 days after the Whistleblower becomes aware of the same and should either be typed or written in a legible handwriting in English.

The Protected Disclosure should be submitted under a covering letter signed by the Whistleblower in a closed and secured envelope and should be super scribed as **“Protected Disclosure under the Vigil Mechanism Policy”** or sent through e-mail with the subject **“Protected Disclosure under the Vigil Mechanism Policy”**. If the complaint is not super scribed and closed as mentioned above, the Protected Disclosure will be dealt with as if a normal disclosure.

Protected 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.

All Protected Disclosures should be addressed to the Vigilance Officer or to the Chairman of the Audit Committee in exceptional cases.

The contact details of the Vigilance Officer are as under:-

Name and Address – Mr. Ranbir Singh

CEO & Wholetime Director

VPO Mehtiana

District Hoshiarpur – 146001 Punjab

E-mail- ranbir@gnagroup.com

In order to protect the identity of the Whistleblower, the Vigilance Officer will not issue any acknowledgement to the Whistleblower. The Whistleblower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous / pseudonymous disclosures will not be entertained as it would not be possible to interview the Whistleblowers.

On receipt of the Protected Disclosure the Vigilance Officer shall detach the covering letter bearing the identity of the Whistleblower and process only the Protected Disclosure.

INVESTIGATION

All Protected Disclosures under this Policy will be recorded and thoroughly investigated. The Vigilance Officer will carry out an investigation either himself/herself or by involving any other officer of the Company for the same or an outside agency before referring the matter to the Audit Committee of the Company.

The Audit Committee, if deems fit, may call for further information or particulars from the Whistleblower and at its discretion, consider involving any other/additional officer of the Company and/or Committee and/ or an outside agency for the purpose of investigation.

The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process.

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 the Vigilance Officer / Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws

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

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

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.

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 90 days of the receipt of the Protected Disclosure and is extendable by such period as the Audit Committee deems fit.

Any member of the Audit Committee or other officer having any conflict of interest with the matter shall recuse themselves and the others on the Committee would deal with the matter on hand.

DECISION AND REPORTING

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

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.

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board of Directors of the Company.

A Whistleblower who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Vigilance Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

CONFIDENTIALITY

The Whistleblower, Vigilance Officer, members of Audit Committee, the Subject and everybody involved in the process shall, maintain confidentiality of all matters under this Policy and, discuss only to the extent or with those persons as required under this Policy for completing the process of investigations and keep the papers in safe custody.

PROTECTION

No unfair treatment will be meted out to a Whistleblower by virtue of his/ her having reported a Protected Disclosure under this Policy. Adequate safeguards against victimisation of Whistleblowers shall be provided. The Company will take steps to

minimize difficulties, which the Whistleblower may experience as a result of making the Protected Disclosure.

The identity of the Whistleblower 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 Whistleblower.

DISQUALIFICATIONS

While it will be ensured that genuine Whistleblowers 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 Whistleblower knowing it to be false or bogus or with a mala fide intention.

Whistleblowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide* or malicious or Whistleblowers who make 3 (three) 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 or may be reprimanded including prosecution. In respect of such Whistleblowers the Company through the Audit Committee would reserve its right to take or recommend appropriate disciplinary action.

ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Whistleblower 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.

COMMUNICATION

Employees shall be informed of the Policy by publishing the Policy on the notice board and the website of the Company.

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 (five) years or such other period as specified by any other law in force, whichever is more.

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 not communicated in the manner described as above.