

## Vigil Mechanism Policy

### ➤ PREFACE:

Classic Stripes Private Limited (herein after referred as “CSPL”) has formulated a policy that lays down the principles and standards that should govern the actions of the Company and their employees. Any actual or potential violation of the policy howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. Section 177(9) of the Companies act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 provides for mandatory establishment of vigil mechanism/whistle blower policy for the Directors and employees of the Company to report their genuine concerns in the prescribed manner. It will enable all stakeholders (employees, customers and vendors) an avenue to raise concerns, in line with CSPL’s commitment to the highest standards of ethical, moral and legal business conduct and its commitment to open communication and will also provide necessary safeguards for protection of employees and associates from reprisals or victimization for whistleblowing in good faith. In line with the above and in order to comply with the mandatory requirement of the above provisions, it is necessary to formulate a specific vigil mechanism/whistle blower policy for CSPL for use by its Directors, Officers and Employees.

### ➤ DEFINITIONS:

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

1. “**Employee**” means every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.
2. “**Policy**” means the Vigil Mechanism/ Whistle Blower policy.
3. “**Investigator(s)**” mean the person(s) authorised, appointed, consulted or approached and includes the Auditors of the Company and the Police.
4. “**Protected Disclosure**” means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
5. “**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.
6. “**Whistle Blower**” means an Employee making a Protected Disclosure under this Policy.

➤ **SCOPE:**

The Whistle Blower's role is an extension of the 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 investigator(s) or finder(s) of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case. 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 Specified Authority. Protected Disclosure will be appropriately dealt with by the Specified Authority.

➤ **APPLICABILITY:**

All permanent and contract employees, suppliers and customers of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures will be in relation to matters concerning the Company.

➤ **DISQUALIFICATIONS:**

While it will be ensured that genuine Whistle Blowers are given complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will attract 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 would reserve its right to take/recommend appropriate disciplinary action.

➤ **PROCEDURE:**

Main features:

Any employee or customer or vendor (Complainant / Whistleblower) has strong reason and sufficient grounds to believe that actions of some employees of the company which are:

1. Not in line with applicable company policy and are unlawful;
2. Unfair practices in any of the company value systems and code of conduct.
3. Unfair and undue personal advantage;
4. Inaccuracy in maintaining the Company's books of account and financial records
5. Financial misappropriation and Procurement fraud
6. Leading to Conflict of interest
7. False expense reimbursements
8. Misuse of company assets and resources

9. Complacency towards innovative approach when it matters the most (innovation at work place)
10. Inappropriate sharing of company sensitive information
11. Corruption and bribery
12. Insider trading (Transaction)
13. Unfair trade practices and anti-competitive behavior
14. Non-adherence to safety guidelines
15. Sexual harassment and Child labor
16. Discrimination in any form
17. Otherwise amount to serious improper conduct involving moral turpitude.

The whistle blower should report his/her concern to the Specified Authority. The complaint should be based on reasonable grounds with evidence and not hearsay.

**Specified Authority:**

The following persons are the Specified Authority for this purpose:

1. Chief Human Resources Officer (CHRO)
2. Chief Financial Officer (CFO)
3. Vice President (Coordination)
4. Executive Secretary to the Chairman

**Reporting:**

The whistleblowing procedure is intended to be used for serious and sensitive issues. Serious concerns relating to financial reporting, unethical or illegal conduct should be reported to the Specified Authority.

Sr. No	Reporting Channels	Contact Information	Availability
1	Phone	022 66793 3500	9 AM to 9 PM on weekdays
2	Email	<a href="mailto:cmdoffice@classicstripes.com">cmdoffice@classicstripes.com</a>	24 hours a day
3	Fax	022 66793600	24 hours a day
4	Web	<a href="http://www.classicstripes.com/Whistleblower.php">http://www.classicstripes.com/Whistleblower.php</a>	24 hours a day

The Protected Disclosures should preferably be reported in writing, or by electronic means or either through portal dedicated for the said purpose so as to ensure a clear understanding of the issues raised.

The Protected Disclosures can also be reported verbally, either personally or over telephone to the person designated above, which should be followed by a written communication or electronic means. The written communication should either be in English, Hindi or in the regional language of the place of employment of the Whistle Blower.

It is suggested that the Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The person designated above shall detach the covering letter and discuss the Protected Disclosure with the Board to decide further course of action in the matter.

If the Whistle Blower does not wish to reveal identity, he/she may feel free to do so without revealing identity. However, the disclosure has to be complete and supported by facts and figures to enable proper scrutiny and investigation. 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 enable proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

➤ **INVESTIGATION:**

All complaints received will be recorded and analyzed. If the initial enquiries by the Specified Authority indicate that the concern has no basis, or it is not a matter to be pursued under this policy, it may be dismissed at this stage and the decision documented. Where initial enquiries indicate that further investigation is necessary, this will be carried out either by the Specified Authority or by a Committee nominated by them for this purpose

The person designated above may at its discretion, consider involving any Investigator(s) for the purpose of investigation. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Investigator(s) appointed by the person designated who will investigate the matter under the authorization of the person designated above. The decision to conduct an investigation, by itself is 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 keeping in mind the legitimate needs of law and the investigation. Subjects will normally be informed of the allegations at the outset of a formal investigation and given opportunities for providing their inputs during the investigation. This will be after conclusion of the initial review and findings which prima facie establish a need for a formal investigation. Subjects shall have a duty to co-operate with the any of the Investigator(s) 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 Investigator(s) 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. 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. 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 45 days of the receipt of the Protected Disclosure.

➤ **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 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. 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. 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 investigator (e.g., during investigations carried out by Investigator(s)). Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

➤ **INVESTIGATORS:**

Investigator(s) are required to conduct a process towards fact-finding and analysis. Investigator(s) shall derive their authority and rights from the person who has appointed him when acting within the course and scope of their investigation. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased. Investigators will 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

- a) The alleged act constitutes an improper or unethical activity or conduct and
- b) The allegation is supported by information specific enough to be investigated.

➤ **DECISION:**

If an investigation leads to concrete finding, then the committee (or Specified Authority) shall be responsible to conclude that an improper or unethical act has been committed, he shall recommend to the Chairman / Managing Director / Director of the company such disciplinary or corrective action as it 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.

➤ **REPORTING:**

The Investigator(s) shall submit a report to the person who has appointed him on a regular basis about all Protected Disclosures referred to him / her / them since the last report together with the results of investigations, if any.

➤ **RETENTION OF DOCUMENTS:**

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

➤ **COMMUNICATION WITH COMPLAINANT:**

The complainant will receive acknowledgement on receipt of the concern. The amount of contact between the complainant and the body investigating the concern will depend on the nature of the issue and the clarity of information provided. Further information may be sought from him/her. Subject to legal constraints, she/he will receive information about the outcome of any investigations.

➤ **GUIDELINE TO THE EMPLOYEES/ASSOCIATES/CUSTOMERS/VENDORS FOR WHISTLEBLOWING:**

1. Bring to the attention of the company early, any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient grounds for their concern. Complaint should not be based on hearsay's.
2. Avoid anonymity while raising a concern.
3. Co-operate with investigating authorities, maintaining full confidentiality.
4. The intent of the policy is to bring genuine and serious issues to the attention of top management and it is not intended for settling scores and vilification. Malicious allegations by employees or associates against each other may attract disciplinary action.
5. A complainant has the right to protection and confidentiality. But this does not extend to immunity for complicity in the matters that are the subject of the allegations and investigation.

➤ **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.

## Flow Chart

