

RANE WHISTLE BLOWER POLICY

February 2019

Version 2.0¹

Adopted by the Board of

Rane Holdings Limited
CIN L35999TN1936PLC002202

Rane (Madras) Limited
CIN L65993TN2004PLC052856

Rane Engine Valve Limited
CIN L74999TN1972PLC006127

Rane Brake Lining Limited
CIN L63011TN2004PLC054948

Rane TRW Steering Systems Private Limited
CIN U35999TN1987PTC014600

Rane NSK Steering Systems Private Limited
CIN U29141TN1995PTC030621

**(Collectively known as “Rane Group Companies” and
individually referred to as “the Company”)**

¹ Adopted pursuant to amendments approved by the board of directors of the Companies at their respective meetings held in January and February 2019 in substitution for and to the exclusion of Version 1.3.

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1.0 Preface

Rane Group 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 behaviour. Towards this end, the group has a clearly defined policy document titled “Ethical Standards of Behaviour” (COMPASS version 1.1) outlining the value system of the group companies and defines obligations of each of its employees to the respective Company. The group believes that any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the group and does not undermine the employees’ role in bring it to the notice.

Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) and Section 177 of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 *inter alia*, provides for a requirement for all listed companies to establish a mechanism called ‘Vigil Mechanism’ for directors and employees to report their genuine concerns to the management.

Accordingly, this Whistle Blower Policy (“the Policy”) has been formulated with a view to providing a mechanism for directors, employees and other stakeholders of the constituent Company in the group to approach the Ombudsperson to report instances of unethical behaviour, actual or suspected, fraud or violation of the Company’s code of conduct or ethics policy. The Whistle Blower Policy forms part of the Vigil Mechanism of the Rane Group.

2.0 Definitions

Some of the following terms mentioned in this document shall have the following meaning:

“**Agencies**” mean those persons / entities authorised, appointed, consulted or approached by the Ethics Committee for conducting a detailed enquiry and includes the internal auditors / auditors of the Company and the Police.

“**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Company.

“**Business day**” means the working day of the Company, its plant or other locations.

“**Code**” means the Rane Group’s ‘Ethical Standards of Behaviour’ (COMPASS version 1.1)

“**Company**” means respective companies in the RANE Group, its subsidiaries, associates and joint ventures at all locations in India.

“**Employee**” means every employee of the Company working in India including the Directors in the employment of the Company.

“Ethics Committee” means a committee constituted by the Ombudsperson comprising of at least 3 members.

Depending on the nature of the complaint the committee may consist of:

- Chairman
- Vice Chairman
- Permanent Member(s) of Disciplinary Management Committee
- Business Heads
- Heads of Finance
- Heads of Human Resource
- Any internal or external person(s) or agencies as maybe considered relevant and appropriate.

“Disciplinary Management Committee” means a committee consisting of:

- Permanent Members:
 - Ombudsperson
 - Head of Finance of Rane Group
- Need based inclusion of the following:
 - Head of Legal of Rane Group
 - Business Head of the concerned company or a Senior Executive nominated by the Business Head
 - Any external person(s) or agencies as maybe considered relevant and appropriate

“Ombudsperson” is President – Corporate Services, Rane Group or the one who is appointed by the Chairman, Rane Group.

“Protected Disclosure” means any communication made by an identified person in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

“Subject” means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an enquiry.

“Rane Group” means all the companies where Rane Holdings Limited (RHL) and or its Promoter / Promoter Group holds strategic / substantial investment including its Subsidiary Companies, Associate Companies and Joint Venture Companies of RHL.

“Whistle Blower” means an Employee or any other person making a Protected Disclosure under this Policy.

3.0 Scope

- 3.1 This Policy is an extension of Rane Group's 'Ethical Standards of Behaviour' (COMPASS version 1.1) and forms part of the Vigil Mechanism.
- 3.2 This Policy applies to all directors including independent directors, the Chairman, permanent employees, customers and vendors of respective companies in Rane Group.
- 3.3 This Policy covers all the companies in Rane Group where constitution of a Vigil Mechanism is mandated under law.
- 3.4 The Whistle Blower's role is that of reporting with reliable information on any improper or unethical business practices or actions which are violative (actual or potential) of the Code by any employee or others dealing with Companies in Rane Group or the employees of the respective Companies. 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.
- 3.5 Whistle Blower 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 Ombudsperson or the Ethics Committee.
- 3.6 The Ombudsperson or the Chairman of the Audit Committee, as the case may be, shall appropriately deal with the Protected Disclosure.

4.0 Role of Ombudsperson, Disciplinary Management Committee and Ethics Committee

- 4.1 Ombudsperson will be responsible for upholding the principles of the "Ethical Standards of Behaviour" (COMPASS version 1.1) of the Company.
- 4.2 The Ombudsperson shall receive and forward the necessary support documents from the Whistle Blower or other sources along with the Protected Disclosure to the Ethics Committee, constituted as per **Annexure 3**, or the Disciplinary Management Committee, as applicable.
- 4.3 Ethics Committee shall conduct an initial enquiry to determine whether any concern exists within 21 Business Days of receiving the Protected Disclosure containing the details prescribed in **Annexure 4**.
- 4.4 If in the initial enquiry it is found that the Protected Disclosure is not valid and no concern exists, then the Ethics Committee may dispose it as not tenable and record the same.
- 4.5 If in the initial enquiry it is ascertained that there exists a prima facie concern, the Ethics Committee shall initiate detailed enquiry on such terms as may be decided by the Ethics Committee, within 7 Business Days from the date of completion of initial enquiry.
- 4.6 Disciplinary Management Committee shall oversee and ensure that the detailed enquiry process is completed within 60 Business Days from the date of commencement of

detailed enquiry. If not, reasons therefore shall be recorded by the Ethics Committee and submitted to Disciplinary Management Committee.

- 4.7 Ethics Committee shall be responsible for ensuring the conduct of detailed enquiry in fair and transparent manner. Based on the enquiry report, the Ethics Committee will make its recommendations to the Ombudsperson for review by Disciplinary Management Committee in the format prescribed in **Annexure 5**.
- 4.8 Disciplinary Management Committee shall review the report, and communicate its decision to the Ethics Committee. The Ethics Committee will implement the decision including any legal action, within 10 Business Days of receiving Disciplinary Management Committee's communication.
- 4.9 Ethics Committee shall forthwith forward details of status of action taken against each Protected Disclosure to the Ombudsperson.
- 4.10 The Ombudsperson shall authorize an official to keep track of the progress of the complaints. Such authorized official shall also act as the Secretary to Disciplinary Management Committee.

5.0 Eligibility

- 5.1 A Whistle Blower is any person or entity making a disclosure of fraudulent activity that they have observed. Whistle Blower could be directors, employees, customers and vendors. A Whistle Blower, who finds that a director, another employee or an outsider is engaged in conduct which may inappropriately affect the financials or the image of the Company can, without expecting any reward in return blow the whistle i.e. report the matter to the Ombudsperson or Chairman of the Audit Committee, as per the guidelines given below. All directors, employees, customers and vendors are eligible to make Protected Disclosures under the Policy.
- 5.2 Such Protected Disclosures may be in relation to matters concerning the Company.
- 5.3 An employee is duty bound to raise compliance related concerns as a Whistle Blower.

6.0 Freedom to Report

- 6.1 Employees should feel free to report matters of wrongdoing to the Ombudsperson without fear of any repercussion on themselves.
- 6.2 The management assures maintaining anonymity of the Whistle Blower at all times.
- 6.3 The management also affirms that the Whistle Blower shall be protected from unfair termination and any other unfair prejudicial employment practices, which the Whistle Blower may face from any quarters within the Company due to the act of whistle blowing.
- 6.4 Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

7.0 Disqualifications

- 7.1 While it is 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.
- 7.2 Protection under this Policy does not give immunity from disciplinary action arising out of false or bogus allegations made by a Whistle Blower wilfully or with a *mala fide* intention.
- 7.3 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, based on the recommendation of the Ethics Committee, the Company reserves its right to take / recommend appropriate disciplinary / legal action(s).

8.0 Procedure to make Protected Disclosure

- 8.1 Protected Disclosures should be addressed to the Ombudsperson
- 8.2 Oral disclosures are also considered provided they are confirmed subsequently by the Whistle Blower in writing.
- 8.3 However, if such matters concern the Ombudsperson or Directors, the same needs to be addressed to the Chairman of the Audit Committee. In case of protected disclosures by Directors the same is to be addressed directly to the Chairman of the Audit Committee of the respective company.
- 8.4 The contact details of the Ombudsperson are given in **Annexure 1**.
- 8.5 If a protected disclosure is received by any executive of the Company other than the Ombudsperson, the same should be forwarded to the Ombudsperson for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower confidential.
- 8.6 Protected Disclosures shall be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to enable a proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.
- 8.7 Protected Disclosures shall be made in writing i.e., typed or hand written in a legible handwriting in English or in the regional language of the place of employment of the Whistle Blower.
- 8.8 Protected Disclosure should be forwarded in the prescribed format as per Annexure 2 or through a letter which shall bear the identity of the Whistle Blower.
- 8.9 Protected Disclosures shall be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to facilitate a proper assessment of the nature and extent of the concern.

8.10 The policy encourages employees to identify themselves during the disclosure. Concerns expressed anonymously are less credible but they may be considered at the discretion of the Disciplinary Management Committee. In exercising the discretion, the factors to be considered are:

- The seriousness of the concern raised
- Specificity and credibility of the concern
- The likelihood of confirming the allegations from attributable sources such as – alleged perpetrators, name of personnel aware of the issue, specific evidences, location, time of the incident etc.

The Disciplinary Management Committee will decide on the merit of the Anonymous Disclosure on a case-to-case basis.

9.0 Detailed enquiry

- 9.1 All Protected Disclosures reported under this Policy will be appropriately handled by the Ethics Committee of the Company.
- 9.2 The Ethics Committee may at its discretion, consider involving any specialized agency for the purpose of detailed enquiry.
- 9.3 The decision to conduct or the conduct of a detailed enquiry by Ethics Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the detailed enquiry may not support the conclusion of the Whistle-blower that an improper or unethical act was committed.
- 9.4 The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the detailed enquiry.
- 9.5 Subjects will normally be informed of the allegations at the outset of a detailed enquiry and have opportunities for providing their inputs during the detailed enquiry.
- 9.6 Subjects shall co-operate with the Ethics Committee or any of the agencies during the detailed enquiry to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- 9.7 Subjects have a right to consult any person of their choice, other than the Ombudsperson / official authorised by the Ombudsperson / Ethics Committee / Disciplinary Management Committee and / or the Whistle Blower.
- 9.8 Subjects shall be free at any time to engage counsel at their own cost to represent them in the detailed enquiry proceedings.
- 9.9 Subjects shall not interfere with the detailed enquiry and shall not withhold, destroy or tamper with, the evidence(s), and shall not influence, coach, threaten or intimidate the witness(es).
- 9.10 Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in detailed enquiry report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is sufficient valid evidence in support of the allegation.

- 9.11 Subjects have a right to be informed of the outcome of the detailed enquiry. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the detailed enquiry results would be in the best interest of the Subject and the Company.
- 9.12 The detailed enquiry shall be completed normally within 90 business days of the receipt of the Protected Disclosure.

10.0 Agencies for detailed enquiry

- 10.1 Agencies are required to conduct a process towards fact-finding and analysis. They shall derive their authority and access rights from the Ethics Committee when acting within the course and scope of the detailed enquiry.
- 10.2 The agencies conducting the detailed enquiry shall be independent and unbiased both in fact and as perceived.
- 10.3 Technical and other resources may be drawn upon as necessary to augment the detailed enquiry.
- 10.4 Detailed enquiry to be launched only after a preliminary review and such preliminary review shall establish that:
- a) the alleged act constitutes an improper or unethical activity or conduct, and
 - b) either the allegation is supported by information specific enough to be enquired, or matters that do not meet this standard may be worthy of management review, but detailed enquiry itself should not be undertaken as an enquiry of an improper or unethical activity.

11.0 Protection

- 11.1 No unfair treatment will be meted out to a Whistle Blower by virtue of his / her having reported a Protected Disclosure under this Policy.
- 11.2 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 Ombudsperson / Disciplinary Management Committee / Ethics Committee (e.g. during detailed enquiry carried out by the agencies). The same protection shall be extended to the anonymous complainant, whose identity gets revealed during the course of the enquiry.
- 11.3 Any other Employee assisting in the said detailed enquiry shall also be protected to the same extent as the Whistle Blower.

12.0 Outcome

- 12.1 The Ethics Committee obtains the enquiry report. Based on consideration of the same, it makes recommendations to the Disciplinary Management Committee. The Disciplinary Management Committee considers the recommendations of Ethics Committee and decides on appropriate action, including dismissal from service.

12.2 The Disciplinary Management Committee communicates its decision to the Ethics Committee for implementing.

12.3 The Ethics Committee confirms implementation of action to the Ombudsperson.

13.0 Reporting

13.1 The Secretary to the Ethics Committee shall submit a report periodically to the Ombudsperson about all Protected Disclosures referred to since the last report together with the status, if any.

13.2 Depending on the sensitivity of the case, the agencies shall submit periodical report to the Ethics Committee on the status of detailed enquiry.

13.3 The Ombudsperson shall forward details of status of action taken against each Protected Disclosure including Anonymous Disclosures that were considered for detailed enquiry to the Chairman / Vice Chairman of Rane Group and to the Audit Committee, on a quarterly basis.

13.4 The Secretary to the Ethics Committee or any other position holder as deemed appropriate, on the advice of the Ethics Committee, will apprise the Whistle Blower of the decision / action taken on the Protected Disclosure.

14.0 Records

14.1 For a minimum period of Eight years, all protected disclosures, details of the initial detailed enquiry, outcome and the actions taken under this policy, whether in writing or any other form of document, shall be retained and stored by the Ombudsperson in the safe custody for the Company.

15.0 Amendments

15.1 The Company is entitled to make any amendment to this policy and such amendments shall be notified to the employees.

16.0 Organisational Awareness

16.1 Periodic awareness sessions for employees and vendors shall be conducted, and the compliance head shall make presentations during such awareness sessions to ensure that all employees and vendors understand the letter and spirit of this Policy.

16.2 Pre-alignment meeting with Chairman of Audit committee may be conducted prior to the board meeting of the Company. Brief details of the investigation like issue, magnitude and action taken is shared with audit committee along with compliance trends

16.3 The Policy shall be uploaded on the website of the Company and also communicated by the Human Resources Department to all Directors, employees of the Company and other persons dealing with the Company through email, circular or display on the notice board, etc.

17.0 Frivolous complaints

- 17.1 In case of repeated frivolous complaints being filed by any person the Audit Committee may take suitable action against such person including reprimand.

18.0 Annexures to the Policy

- 18.1 Annexure 1 to Annexure 5

19.0 Approvals / Amendments

Version 1.1: Adopted by the Board of Directors with effect from June 2012

Version 1.2: Pursuant to amendments approved by the Board of Directors vide resolutions passed in January and February 2016

Version 1.3: Pursuant to amendments approved by the Board of Directors vide resolutions passed in May, 2017

Version 2.0: Pursuant to amendments approved by the board of directors vide resolutions passed in January and February 2019

Annexure 1

CONTACT DETAILS OF THE OMBUDSPERSON

Name: R Venkatanarayanan
Designation: President – Corporate Services
Email: ombudsperson@ranegroup.com
Phone: 044 - 42292425
Address: Rane Holdings Limited
Rane Corporate Centre
“Maithri”, No. 132, Cathedral Road,
Chennai – 600 086

Annexure 2
FORMAT PRESCRIBED FOR MAKING PROTECTED DISCLOSURE BY
WHISTLE BLOWER AND CONFIRMATION BY OMBUDSPERSON

From	Name of the Whistle Blower:	GEN ID (if applicable):
	Name of the organisation :	
	Address:	
	To	
	The Ombudsperson	
	Rane Holdings Limited	
	Address:	
	“Maithri”, No. 132, Cathedral Road,	
	Chennai – 600 086	
DISCLOSURE		
	Detail Description:	
	<i>(Use additional sheets, if required and attach copies of supporting documents, if any)</i>	
	Verification, Certification and Consent	
	I hereby sincerely declare and agree to -	
	(i) the contents furnished by me herein are true and correct; and	
	(ii) in the event of any statement made in this declaration subsequently turning out to be incorrect or false, I understand and accept that such mis-declaration may be treated as a gross misconduct liable for necessary disciplinary / legal action.	
	(iii) agree to any investigation made by the Company under the Whistle Blower policy to verify or confirm the information I have given or any other investigation	
	(iv) substantiate the Protected Disclosure, appear and testify before the investigator(s) ; and	
	(v) co-operate in the investigation proceedings	
	Date :	
	Place :	
		Signature:
		Whistle Blower

COMMENTS OF OMBUDSPERSON

Date :

Signature:

Ombudsperson

COMMENTS OF DISCIPLINARY MANAGEMENT COMMITTEE *(if applicable)*

Signature:
Disciplinary Management Committee Members

Date:

Annexure 4
FORMAT PRESCRIBED FOR RECORDING INITIAL ENQUIRY FINDINGS
BY ETHICS COMMITTEE

DISCLOSURE	
DATE OF RECEIPT	
Name of the Whistle Blower:	Name of the Subject:
Gen ID (if applicable):	Gen ID (if applicable):
Name of the Organisation	Name of the Organisation
INTERNAL RECORDS REFERENCE	
File Reference No.:	Created on:
INITIAL ENQUIRY DETAILS	
Commenced on:	Completed on:
Meetings dates with location:	Attended by:
<i>(use additional sheets, if required)</i>	
INITIAL ENQUIRY FINDINGS	
Detailed description of the findings: <i>(Use additional sheets, if required and attach copies of supporting documents, if any)</i>	
VALIDITY OF PROTECTED DISCLOSURE	
Valid:	<input type="checkbox"/> Yes <input type="checkbox"/> No
Concern Exists:	<input type="checkbox"/> Yes <input type="checkbox"/> No
Mention reasons:	
DETAILED ENQUIRY	
Detailed enquiry to be initiated: Yes / No (Give reasons)	
Details of agency appointed for detailed enquiry:	
Date of commencement of detailed enquiry:	
.....	
Ethics Committee Members	
Date:	
Place:	

Annexure 5
FORMAT PRESCRIBED FOR RECORDING DETAILED ENQUIRY FINDINGS
BY ETHICS COMMITTEE

DETAILED ENQUIRY DETAILS	
Commenced on:	Completed on:
Meetings dates with location:	Attended by:
<i>(use additional sheets, if required)</i>	
DETAILED ENQUIRY FINDINGS	
Detailed description of the findings: <i>(Use additional sheets, if required and attach copies of supporting documents, if any)</i>	
RECOMMENDATIONS TO DISCIPLINARY MANAGEMENT COMMITTEE	
<div style="text-align: center;"> <p>.....</p> <p>Ethics Committee Members</p> </div> <p>Date:</p> <p>Place:</p>	
DECISION OF DISCIPLINARY MANAGEMENT COMMITTEE	
<div style="text-align: center;"> <p>.....</p> <p>Disciplinary Management Committee Members</p> </div> <p>Date:</p> <p>Place:</p>	