

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Integrity, Innovation, Speed and Ownership being the core values of Bharat FIH Limited (hereinafter referred to as "**Company**"), it is anticipated to conduct its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. To ensure that there is a common standard of professional behaviour across the Company, we also have listed down certain codes of conduct which every employee is expected to abide by. We are committed to develop a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.

"Vigil Mechanism" helps Employees, Directors and third party Stakeholders to report to the designated Committee, instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policies. A culture of transparency and accountability is essential in order to prevent such situations occurring or to address them when they do occur.

Purpose

To provide a platform and mechanism for the Employees, Directors and third party Stakeholders to voice genuine concerns or grievances about unprofessional conduct without fear of reprisal.

Vigil Mechanism provides a method of properly addressing bona-fide concerns that Employees/ Directors of the Company might have, while also offering them protection from harassment, victimization or disciplinary proceedings.

The Vigil Mechanism/ Whistle Blower Policy (the "**Policy**") prevents any embezzlement of funds of the Company or any other prejudicial act, which is detrimental to the interest of Stakeholders of the Company.

The Policy neither releases Employees and Directors from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

Scope

This Policy is applicable to all Employees, Directors and third party Stakeholders associated with the Company.

EFFECTIVE DATE

Accordingly, the board of directors of Company ("**Board**") established a Vigil Mechanism by formulating and adopting the Policy for providing a framework for responsible and secure whistle blowing/vigil mechanism at its meeting held on December 14, 2021. The Policy shall become effective from December 14, 2021.

Policy

1. Definitions

- a. "Audit Committee" will mean and include such Committee referred under the applicable statutes, rules and regulations.

- b. "Board" means and includes the Board of Directors of the Company consisting of the directors duly appointed and not ceased to be directors in terms of the Companies Act 2013, as amended.
- c. "Code" means the Company's Code of Conduct.
- d. "Director" means a director appointed to the Board of the Company.
- e. "Disciplinary Action" means any action that can be taken on the completion of /during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- f. "Employee" means an individual employee who works for the Company either, directly or indirectly, whether temporary, permanent, contractual, or in the capacity of a trainee, including Directors [under which the Company has the right to control the details of work performance by providing specific wages or salary.
- g. "Stakeholders" means any vendor, consultant, customer, and shareholder or any person internal or external to Company that can be affected by the Company's illegal, unethical or immoral practice, product or procedure.
- h. "Investigation Team" means those persons appointed by the Whistle Blower Committee to investigate the complaint received from a Whistle Blower.
- i. "Protected Disclosure" means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity and includes any oral communication directly to the Chairperson or members of the Whistle Blower Committee. It 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.
- j. "Subject" means a person or a group of people against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- k. "Whistle Blower" is any Employee, Director or third party Stakeholder who makes a Protected Disclosure under this Policy.
- l. "Whistle Blower Committee" means a committee constituted/re-constituted by the Risk management committee under this Policy to conduct detailed investigation either directly or through the Investigation team.
- m. "Whistle Blower Guidelines" means the document envisaging the detailed procedure for Protected Disclosure by the Whistle Blower.
- n. "Improper Activity" means any unethical behavior/ activity that includes, actual or suspected fraud, violation of the Company's policies and systems, adversely affects Company's reputation or brand image, violation of applicable laws, gross or willful negligence causing substantial or specific danger to health, safety and environment in the Company, accounting or financial misreporting, bribery, graft and insider trading.

2. The Guiding Principles

To ensure that this Policy is adhered to and to assure that the concern will be acted upon seriously, the Company will:

- a. Ensure that the Whistle Blower and/or the person assisting the Whistle Blower in the Protected Disclosure is not victimized for doing so;
- b. Treat victimization as a serious matter including initiating Disciplinary Action on such person/(s);
- c. Ensure complete confidentiality;
- d. Not attempt to conceal evidence of the Protected Disclosure;
- e. Take Disciplinary Action, if anyone destroys or conceals evidence of the Protected Disclosure made/to be made; and
- f. Provide an opportunity of being heard to the persons involved, especially to the Subject.

3. Coverage of Policy

The Policy covers malpractices, unethical, improper activities and events which have taken place/suspected to take place involving:

- a. Any action affecting the brand image of the Company;
- b. Breach of Core Values;
- c. Victimization or harassment of personnel;
- d. Abuse of authority;
- e. Breach of contract;
- f. Negligence causing substantial and specific danger to public health, safety and environment;
- g. Manipulation of Company data/records;
- h. Financial irregularities, including fraud, or suspected fraud;
- i. Forgery, falsification or alteration of documents;
- j. Criminal offences;
- k. Pilferage of confidential/propriety information;
- l. Deliberate violation of law/regulation;
- m. Wastage/misappropriation of Company funds/assets/resources;
- n. Any incidence of harassment of any employee of the company based on caste, color, creed, religion, faith, disability, sexual orientation, national origin, age, marital status, sex, veteran or citizenship or other characteristics protected by law
- o. Breach of Company's Code of Conduct, bylaws or rules; or
- p. Instances of leak of Unpublished Price Sensitive Information (UPSI)
- q. Any other unethical, biased, favored, imprudent event.

The above list is only illustrative and should not be considered as exhaustive.

Policy should not be used for raising malicious or unfounded allegations against colleagues.

Exclusions

The following types of complaints will ordinarily not be considered and taken up:

1. Complaints that are Illegible, if handwritten;
2. Complaints that are vague, with pseudonyms;
3. Complaints that are trivial or frivolous in nature;
4. Matters which are pending before a court of law, National or State Human Rights Commission, tribunal or any other judicial or quasi-judicial body;
5. Any matter that is prior to January 01, 2018 on which the act constituting violation is alleged to have been committed;
6. Issue raised, relates to service matters or personal grievances:
 - a. While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatments 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, frivolous or malicious or found to be baseless or reported not-in-good-faith would be subjected to Disciplinary Action;
 - d. In case of repeated frivolous complaints being filed by whistle blower, the risk management committee/audit committee may take suitable action against the concerned person including reprimand.

4. Communication on Protected Disclosure

Whistle Blower can make Protected Disclosure to Whistle Blower Committee as per the Whistle Blower Guidelines.

5. Protection

- a. No unfair treatment shall be made to any 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 practices being adopted against the Whistle Blower.
- b. Complete protection shall, therefore, be given to Whistle Blower against any unfair practices like retaliation, threat or intimidation of termination/suspension of service, Disciplinary Action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior or the like, including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his/her duties/functions including making further Protected Disclosure. The Company shall 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 shall arrange for the Whistle Blower to receive advice about the relevant procedure.

- c. The identity of the Whistle Blower shall be kept confidential, unless otherwise decided by Whistle Blower Committee.
- d. Any other Employee/Director/any third party Stakeholder assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

6. Reporting

A quarterly report with number of Protected Disclosures received under the Policy and their outcome shall be placed before the Audit Committee which will be routed through the Risk Management Committee.

Guidelines under Whistle Blower Policy (Vigil Mechanism)

1. Protected Disclosure communication

- a. Whistle Blower can make Protected Disclosure to the Whistle Blower Committee, (integrity@bfih-foxconn.com), after becoming aware of the suspected or actual frauds or any event as described in Clause 3 of the Policy, as early as possible.

Whistle Blower must put his/her name to Protected Disclosures. Any concerns expressed anonymously MAY OR MAY NOT be considered. Whistle Blower may not be required to prove their concern while reporting a complaint but must demonstrate sufficient grounds for raising the concern.

- b. Upon receipt of Protected Disclosure either written/ oral under this Policy, Whistle Blower Committee shall validate the genuineness of the Protected Disclosure in context with the scope of the Policy.
- c. Protected Disclosure can be made over phone or by sending emails to Whistle Blower Committee members (on the email id's mentioned below) or dropping letters in the designated drop box placed in the premises.
- d. In case the Protected Disclosure is communicated to any of the Whistle Blower Committee members, they shall immediately assess the complaint reported and may initiate the investigation procedure.
- e. On validation, if Whistle Blower committee is of the opinion that the Protected Disclosure has no basis and the matter need not be investigated further, the Committee shall dismiss the matter at this stage and document the same in the records.
- f. Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious or found to be baseless or reported not-in-good-faith would be subjected to Disciplinary Action.
- g. If any of the Protected Disclosure is related to sexual harassment, the matter shall be forwarded to the sexual harassment committee for further action.
- h. On initial enquiries in relation to the Protected Disclosure, if the Whistle Blower Committee opines that the matter is related with any concern/matter which will have an impact on the business or public image of the Company, it shall forward the same to the risk management committee. Any further investigation shall be taken up by the risk management committee. However, risk management committee shall also have suo moto powers to take up any matter for Investigation which is being raised by the Whistle Blower at any stage.

- i. Any member of the Whistle Blower Committee or any person who is a part of the investigation process have any conflict of interest with the matter shall disclose his/ her concern/ interest forthwith to the non-interested members of the Committee and shall not deal with the matter.
- j. For those Protected Disclosures in which the Whistle Blower Committee members is interested/concerned, the inquiry & the report by the Whistle Blower Committee shall be submitted to the Audit Committee Chairperson within 3 weeks from the date of the Protected Disclosures or such extended time as may be allowed by the Board for further action.

2. Whistle Blower Committee

- a. A Whistle Blower Committee shall be constituted by the risk management committee under this Policy to investigate on the Protected Disclosures.
- b. The Whistle Blower Committee may opine to appoint the senior members of different departments including those responsible to ensure robust internal control mechanisms as members of the Whistle Blower Committee on need basis. Risk management committee shall have the right to nominate the members for the Whistle Blower Committee from time to time, either in case of resignation of members or otherwise.
- c. Whistle Blower Committee is required to conduct a process towards fact finding and analysis of the matter reported. If required, the Whistle Blower Committee may constitute an Investigation Team with such members as it may deem fit for further investigation and detailed analysis.
- d. The Whistle Blower Committee can also get external help where experts opinion is required after getting approval from the majority of the members of risk management committee or the Board of directors as the case may be.
- e. Whistle Blower Committee shall be independent and unbiased both in fact and as perceived. Whistle Blower Committee has a duty of fairness, objectivity, thoroughness, ethical behavior and observance of professional standards.
- f. Risk management Committee shall have the sole discretion to nominate the Whistle Blower Committee members in place of the existing members, on case to case basis, if it deems fit, considering the conflict of interest with the existing members, in relation the Protected Disclosure or Subject or Whistle Blower.

3. Investigation Process

The Whistle Blower Committee shall make a detailed written record of the Protected Disclosure.

The record will include:

- Facts of the matter;
- Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- Whether any Protected Disclosure was raised previously against the same Subject;
- The financial/ otherwise loss which has been incurred / would have been incurred by the Company;
- Findings of Whistle Blower Committee; and

- The recommendations of the /Whistle Blower Committee on disciplinary/other action/(s).

The Investigation team, shall finalize and submit the report to the Whistle Blower Committee within three weeks of being nominated/ appointed or such extended time as may be allowed by the Whistle Blower Committee. On submission of report, the Whistle Blower Committee shall discuss the matter which shall either:

- a. In case the Protected Disclosure is proved, accept the findings of the Investigation Team/ Whistle Blower Committee and take such Disciplinary Action as he may think fit and take preventive measures to avoid re-occurrence of the matter;
- b. In case the Protected Disclosure is not proved, extinguish the matter; OR
- c. Depending upon the seriousness of the matter, Whistle Committee may take any Disciplinary Action/counter measures in consultation with the Head - Human Resource.

The entire proceedings have to be completed within a period of 90 days from the receipt of the Protected Disclosure.

Whenever there is an instance of leak of unpublished price sensitive information, the investigation shall be carried out as per the policy and procedures for inquiry in case of leak of unpublished price sensitive information and in such cases Whistle Blower Committee will have a limited scope.

Audit Committee shall monitor the vigil mechanism/Whistle Blower mechanism.

4. Secrecy/Confidentiality

The Whistle Blower, the Subject, the Whistle Blower Committee and everyone involved in the process shall:

- a. maintain complete confidentiality/ secrecy of the matter;
- b. not discuss the matter in any informal/social gatherings/ meetings;
- c. discuss only to the extent or with the persons required for the purpose of completing the process and investigations;
- d. not keep the papers unattended anywhere at any time; and
- e. keep the electronic mails/files under password

If anyone is found not complying with the above, he/ she shall be held liable for such Disciplinary Action as is considered fit.

5. Proposed Action

- a. Disciplinary Action - The Whistle Blower Committee shall take suitable Disciplinary Action against the Subject or against such other person as may deem fit. The Disciplinary Action shall constitute a minimum written warning and may lead to withdrawal of last increment, demotion, withholding promotion, dismissal from service and/or even proceeding with prosecution in the court of law.

- b. If the Protected Disclosure made against the Subject are proved to be false after investigation, it is very essential to demonstrate that the Subject's dignity is respected. Hence, the Whistle Blower Committee members should thank the Subject personally for having cooperated in the process. A formal closure letter has to be sent informing that the Protected Disclosure has not been proved during the investigation process and hence he/she is fully exonerated from the Protected Disclosure made against him/her.

6. Access to Chairperson of the Audit Committee

The Whistle Blower shall have right to access chairperson of the Audit Committee directly in appropriate or exceptional cases and the chairperson of the Audit committee is authorised to prescribe suitable directions in this regard, as may be deemed fit. In such cases the whistle blower may write to the Chairperson of the Audit Committee at (Auditchairperson@bfih-foxconn.com).

7. 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 8 (eight) years or such other period as specified by any other law in force, whichever is more.

Disclaimer

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever in accordance with applicable law and no such amendment or modification will be binding on the directors and employees unless the same is communicated in the manner described as above.

Consequent upon any changes in regulatory guidelines, such change shall be deemed to be a part of the Policy until the Policy is reviewed and approved by the Board.