

Whistle Blowing Policy

Introduction

- Escorts Kubota Finance Limited (“EKFL” or “the Company”) is built on the standards of ethics and transparency. The Company’s values and the Code of Business Conduct (“Code”) require all employees to conduct themselves with the highest standards of integrity, in compliance with all the applicable laws and regulations. Any actual or potential violation of the Code or of the applicable laws and regulations is a matter of serious concern, and the role of employees in reporting such violations is very important.
- EKFL has formulated the Whistle Blowing policy (“Policy”) to provide a mechanism for the employee to approach the Ethics Committee (“Committee”) to report such concerns.

Objective

- This policy is an extension of the Code, and the purpose is to provide a platform to all the stakeholders including the Directors of EKFL to report any instances of misconduct, actual or potential violation of the Code, or other applicable laws or regulations without any fear of reprisal or victimization.
- Directors and Employees of the company may come across instances of fraud, misconduct, violation of the Code, or other applicable rules and regulations. There may also be situations where the right course of action is unclear. In such instances, the employee has both a legal and moral duty to take appropriate measures to identify such situations and to report genuine concerns about the incident of misconduct or potential violation of the law or the Code.
- While violations of code may also be reported through regular channels of reporting by the employee, there may be times when an employee believes it to be inappropriate or difficult to report through these channels and such matters may be reported under this policy.
- This policy provides guidance on “*how to report a Protected Disclosure*” about any misconduct or violation of the Code or other applicable policies or laws governing the company.
- This policy also provides information on how the Whistle Blower should be protected.

Definitions

- **Audit Committee**” means the Audit Committee constituted by the Board of Directors in accordance with Section 177 of the Companies Act, 2013.
- **“Code”** means the Code of Conduct of the Organization.
- **“Committee”** means a group of persons nominated or appointed to conduct preliminary review of the disclosure received from the Whistle Blower and take Disciplinary Action based on the report submitted by the Quorum or third party.
- **“Organization”** means Escorts Kubota Finance Limited and all its offices.
- **“Disciplinary Action”** means an action that may be recommended or taken after the completion of the investigation including but not limited to a warning, suspension or dismissal from official duties or any such action, as is deemed to be fit considering the gravity of the matter.
- **“Ethics Committee”** means a committee formed to act as an Ombudsman to investigate the concern raised by Whistle Blower(s). At present, the Committee comprises of Abhishek Mudgal, MD & CEO, Seiji Fukuoka, Director, Bharat Madan, Director and Head-HR. The Composition of the Ethics Committee may be changed from time to time, as may deemed necessary by the Director of the Company and the same shall be updated in the policy without any specific approval of Board/ Audit Committee for incorporating such changes.
- **“Employee”** means policy applies to all employees in the Grade of L00 and above including trainees, Retainers, Workmen and Third Party Contractual.

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- **“Fraud”** includes any act, omission, concealment of any fact or abuse of position committed by any person with intent to deceive, to gain undue advantage from, or to injure the interests of, the Organization or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss. This may include the embezzlement of Organization funds or the misappropriation of Organization assets in the form of money, property, data or intellectual property. The term “fraudulent” would be construed accordingly.
- **“Good Faith”** An Employee shall be deemed to be communicating in “Good Faith” if there is an honest intent to act without taking an unfair advantage over another person and there is a reasonable basis for communication of unethical practices or any other alleged wrongful conduct. A disclosure should not be deemed to be in Good Faith when the employee does not have personal knowledge of unethical practices or any other alleged wrongful conduct or where the Employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous
- **“Policy”** means the Whistle Blowing Policy of the Organization.
- **“Protected Disclosure”** or “Complaint” means the communication made in Good Faith which discloses or demonstrates information that may be an evidence for unethical or improper activity (actual or suspected) including but not limited to incorrect financial reporting or misappropriation of Organization’s funds or assets, unlawful acts, abuse of authority, misconduct, pilferation of Organization’s assets, including confidential or propriety information, damage to Organization assets including reputational.
- **“Quorum”** means a group of 3 people nominated or appointed to conduct detailed investigation of the Complaint forwarded by the Committee and thereafter recommend Disciplinary Action.
- **“Subject”** means a person or group of persons against whom or in relation to whom a Protected Disclosure has been made or evidence provided or gathered during the investigation.
- **“Whistle Blower”** means an employee making a Protected Disclosure under this Policy.
- **“Whistle Blowing Mechanism”** refers to the mechanism defined by the Organization to facilitate the reporting of any criminal act, misconduct or malpractices in the organization by the Employees.

Applicability

- This policy is intended to encourage and enable all the stakeholders and employees including the Directors of Escorts Kubota to raise genuine concerns within the Organization before seeking resolution outside the Organization.
- The policy applies to all employees including but not limited to Manager and Workmen, Trainees, Directors, Retainers, Third Party Service Providers, , and the other stakeholders of the Company.

Reference to other policies

This policy should be read in conjunction with the Code of Conduct and other policies of the Organization.

Inclusions*

This policy covers reporting of the following incidents which have or are suspected to have taken place:

- a) Abuse of authority
- b) Financial irregularities include fraud or suspected fraud.
- c) Leakage of information including pilfering of confidential or property information

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- d) Commissions of kickbacks
- e) Manipulation of documents, data, or records
- f) Conflict of interest
- g) Misuse, misappropriation or wastage of organization assets or funds
- h) Violation of organization policies, practices and rules, including the code or any other unethical based favored or imprudent event
- i) Civil and Criminal Offence
- j) Deliberate violation of applicable laws and regulations

Exclusions*

- This Whistle Blowing Mechanism should NOT be used in place of the EKFL Grievance Redressal procedures or be a route for raising malicious or unsubstantiated allegations against colleagues.
- The Whistle Blowing Mechanism should not be used for reporting on routine or operational matters like:
 - a) Issues related to routine Human Resources (“HR”) matters, e.g., denial of promotion or reassignment of duties.
 - b) Sexual harassment-these complaints may be reported to Internal Committee directly under the Policy on Prevention of Sexual Harassment at workplace.
 - c) Issues related to compensation or reimbursement (e.g., reimbursement not credited on time)
 - d) Issues related to career progressions, transfer or deputation, etc.
 - e) IT assets not working properly (e.g., printers not working)
 - f) Questioning the financial or other business decisions taken by the management
 - g) Taxation related queries (e.g., excess tax deducted from salary)
 - h) Recruitment or job opening (e.g., to know the job openings in the Company)
 - i) Inappropriate administration facilities (e.g., tea or coffee machine in the cafeteria)

**Only indicative list and not exhaustive list.*

How to file a complaint under this Policy

- The Whistle Blowing Mechanism is not meant to substitute the regular communication protocols in the Company, and hence as a first step, the employee may inform the reporting manager about the suspected or actual misconduct or violation in accordance with the code.
- If the Protected Disclosure or complaint is against the reporting manager, then the employee may report it to the HR.
- If an employee does not feel comfortable reporting the Protected Disclosure to his reporting manager or HR, he/she can use any of the following reporting channels.

Email

- The Whistle Blower may send an e-mail to the address Ekfl.whistleblower@escortskubota.com with the subject line “Protected **Disclosure under the Whistle Blowing Policy**”, providing the complete details of the Complaint.

Guidance for the Whistle Blower

- The Whistle Blower should consider the following points before or while reporting the Complaint:
 - a) Should identify themselves and tell the name, designation, and the company email address.
 - b) Should attempt to report the Protected Disclosure immediately after the event has occurred.
 - c) Should ensure that the Protected Disclosure reported is factual and not speculative in nature.
 - d) Should ensure that the Protected Disclosure reported contains as much specific information, facts, and evidence wherever possible to enable appropriate review, assessments, and initiation

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- of the investigation.
- e) Should not investigate or attempt to investigate the matter.

Safeguards

The Organization provides the following safeguards to the Whistle-Blowers under the Policy.

Confidentiality

- The company shall treat all the Protected Disclosures and information received in a confidential manner.
- The identity of the Whistle Blower shall be kept confidential and shall be disclosed on a “need-to-know” basis only in the following instances-
 - a) If, identification of the Whistle Blower is necessary to allow the company to investigate or respond effectively.
 - b) If identification of the Whistle Blower is required by law.
 - c) If the Complaint is identified as frivolous or as bogus Complaint or with a malafide intent.

Protection of the Whistle Blower

- EKFL will ensure that anyone who (based on a reasonable belief that a possible violation or suspected wrongdoing has occurred) reports any Complaint under the policy is “NOT” subjected to any retaliation, regardless of whether the Complaint is ultimately substantiated. Retaliation includes discrimination, reprisal, harassment, victimization, or vengeance.
- The Whistle Blower shall not be at the risk of losing his/her job or suffering loss in any other manner like transfer, demotion, refusal of promotion, etc.
- This policy provides protection against victimization of whistle-blowers by making provisions for direct access to the Chairpersons of the Audit Committee in appropriate or exceptional cases. A whistle-blower shall be entitled to such protection only if the following conditions are met:
 - a) The Communication or Protected Disclosure is made in good faith.
 - b) Whistle Blower reasonably believes that the information, and any allegations contained in it, are substantially true.
 - c) Whistle Blower is not acting for personal gain.
 - d) Whistle Blower is not involved in the complaint reported.
- Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- Making frivolous or bogus complaints through Whistle Blowing Mechanism is unacceptable and strictly prohibited.
- Protection under this policy shall 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 malafide intention.

Annexure 1

Whistle Blower Complaint workflow or procedure for reporting, resolving and closing a case

Disposal of the Protected Disclosures

- All the Protected Disclosure received through the channels defined above shall be forwarded to the Ethics Committee and the Chairman of the Audit Committee.
- The Ethics Committee shall perform a thorough preliminary review of the Protected Disclosures.
- Upon the preliminary review of the Protected Disclosure, if the Ethics Committee is of the opinion that no sufficient facts are available to pursue the Complaint, they may consider responding to the Whistle Blower requesting additional information, if necessary, based on the contact information made available.
- If the whistle-blower does not respond within one week or is unable to provide the additional information being requested the Ethics Committee shall report to the Audit Committee and close the case after documentation of the reasons.
- In other cases, after the preliminary review of the Protected Disclosure, the Ethics Committee may assign the investigation of the complaint to a Quorum of three members of the Ethics Committee or an independent outside agency for further investigation.
- The quorum or outside agency shall submit a report with its recommendations to the Ethics Committee.
- If the Whistle Blower is not satisfied with the final decision on the Complaint, he or she can reach out to the Audit Committee for an appeal.
- The Audit Committee, if deemed fit, may recommend to the Ethics Committee to call for further information or particulars, from the Whistle Blower and at its discretion may consider involving any other/additional employee of the Organization and/ or Committee and/or an independent outside agency for the purpose of investigation.

Disciplinary Action

- Based on the report submitted by the quorum or an outside agency, the Ethics Committee shall recommend disciplinary action basis consequence matrix which may include dismissal of the subject, initiating legal action, etc., or other appropriate action as it may deem fit. The Ethics Committee shall direct the relevant department for the execution of the Disciplinary Action.
- The Ethics Committee may also recommend corrective measures including but not limited to amending the process, implementing better controls, etc., or may suggest no action if the allegations are not substantiated. Where the company has suffered a loss, the Ethics Committee may recommend to pursue remedies against the subject responsible for the same.
- If three or more protected disclosures have been made by the whistle blower and are subsequently proven to be, frivolous, baseless or reported otherwise than in good faith, the Ethics Committee shall evaluate such complaints and take appropriate action against the identified whistleblower, including but not limited to a warning letter.
- Refer annexures 1 to 3 for Whistle Blowing policy.

Rights and Duties of a Subject

- Subject will normally be informed of the allegations at an appropriate time during the investigations.
- During the investigations, the subject has the right to be heard and the quorum or third party must give adequate time and opportunity for the subject to communicate his explanation on the matter.
- The subject and all other employees have a duty to co-operate with the Ethics Committee or Quorum or a third party during the investigation.
- Subject has a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed, or tampered with, and the witness shall not be influenced, coerced, threatened, or intimidated by the subject.

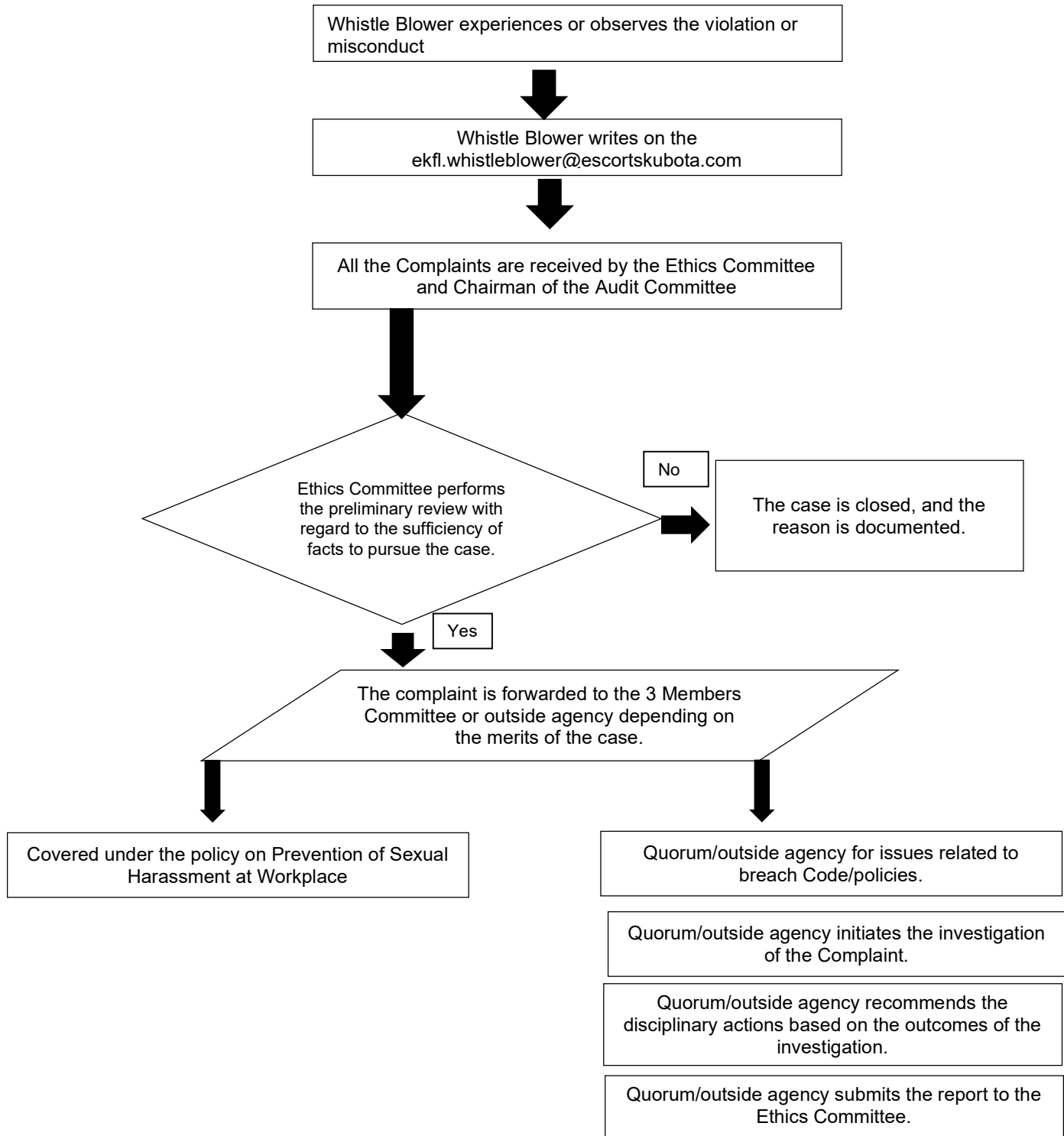
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Amendments to this Policy

- EKFL reserves the 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 modifications will be binding on the Employee or Directors unless intimated.

Annexure 1
Whistle Blower Complaint workflow or procedure for reporting, resolving and closing a case



Annexure 2

Frequently Asked Questions – Whistle Blowing Policy

Question	Answer
What is the need for Email ID?	<ul style="list-style-type: none"> It is a medium to confidentially report any incident that may involve a violation or potential violation of law or the Code
I have a come across some wrongdoing in the Organization. What should I do?	<ul style="list-style-type: none"> Reportees may inform the Supervisor or Reporting Manager about the suspected or actual misconduct or violation. If the Protected Disclosure or Complaint is against the Supervisor, then the Employee may report it to the Human Resource Manager. If reportees does not feel comfortable reporting the Protected Disclosure to his Supervisor or Human Resources Manager, he/ she can use reporting channels as mentioned in Section 7 of this Policy, with complete assurance on confidentiality of information.
Can I report the Complaint based on rumours?	<ul style="list-style-type: none"> All the Complaints should have evidence (oral or written) Complaints based on rumours shall be inadmissible
How can I report a complaint?	<ul style="list-style-type: none"> You can report a complaint via email on ekfl.whistleblower@escortskubota.com
Can I report anonymously?	<p>Yes</p> <p>Although, policy does not encourage anonymous complaints, however, in case any anonymous complaint is received with sufficient details, facts and information of the incidence and how such incidence has happened, which warrants that it needs the investigation, the Ethics Committee will take an appropriate action to investigate the compliant received.</p>
Is there any time limit for reporting a case?	<p>There is no time limit for reporting the case, However, you are encouraged to report as soon as possible, after the incident occurs</p>
What protection is available to me as a Whistle Blower?	<ul style="list-style-type: none"> The whistle Blower shall be protected against harassment The information shared by Whistle Blower will be available only to the concerned members of the Ethics Committee and the investigation team Whistle Blower identity will be disclosed only in the following circumstances: <ul style="list-style-type: none"> Identification is necessary to allow the Organization to investigate or respond effectively Identification is required by law In cases identified by the Ethics Committee as frivolous or bogus Complaint or with Malicious intent
How can I check the status of my Complaint?	<p>You will get a notification from the designated e-mail address ekfl.whistleblower@escortskubota.com on the receipt of your complaint stating what action has been decided by the Ethics committee. In case an inquiry/investigation is initiated your cooperation shall be sought including additional documents and/ or information as deemed fit</p>
Will I get any reward for reporting a Complaint?	<p>No reward shall be given to a Whistle Blower Please remember it is your duty to report the Complaint</p>

Category of Misconduct	Nature of Complaint	1st Offence	2nd Offence	3rd Offence
Minor	<ul style="list-style-type: none"> • Carelessness with tools, keys and equipment that may cause minor damage to property • Non-compliance with safety guidelines or regulations due to negligent behaviour that may cause minor danger to property" 	<ul style="list-style-type: none"> • Written warning 	<ul style="list-style-type: none"> • Written Reprimand 	<ul style="list-style-type: none"> • Suspension • Termination
Major	<ul style="list-style-type: none"> • Unlawfully restricting work efficiency and productivity • Attempting to provoke a fight or intimidating others by using strong words • Leakage of confidential information by negligent behaviour • Engaging in political activity and running parallel business during assigned hours of employment • Carelessness with tools, keys and equipment that may cause serious damage to property • Non-compliance with safety guidelines or regulations that may cause danger to life or property 	<ul style="list-style-type: none"> • Written Warning • Written Reprimand • Suspension • Pay reduction • Withholding promotion 	<ul style="list-style-type: none"> • Suspension • Pay reduction • Withholding promotion • Termination 	<ul style="list-style-type: none"> • Not Applicable
Gross	<ul style="list-style-type: none"> • Accepting bribes in the course of carrying out assigned duties. • Intimidating others through the threat of physical force • Theft of personal or Company property (e.g. equipment, tools, supplies, etc.) • Confidentiality violation by sharing Company information with third parties or competitors • Carelessness with tools, keys and equipment that may cause danger to life, property or public safety • Non-compliance with safety guidelines or regulations resulting in the loss of life or property 	<ul style="list-style-type: none"> • Demotion • Suspension • Withholding of promotion • Termination 	<ul style="list-style-type: none"> • Not Applicable 	<ul style="list-style-type: none"> • Not Applicable
Unsubstantiated	<ul style="list-style-type: none"> • Any complaint where there are not enough evidence or facts to prove the case 	<ul style="list-style-type: none"> • No Disciplinary Action 		
Frivolous complaint	<ul style="list-style-type: none"> • Complaints which are subsequently proven to be baseless or reported with malafide intent 	<ul style="list-style-type: none"> • Written warning • Written reprimand 	<ul style="list-style-type: none"> • Suspension • Termination 	<ul style="list-style-type: none"> • Not Applicable