SALZER ELECTRONICS LIMITED

VIGIL MECHANISM

(Whistle Blower Policy)

Vigil Mechanism

I. PREAMBLE

This policy is formulated to provide opportunity to employees

- to access in good faith, to the Audit Committee in case they observe unethical and improper practices or any other wrongful conduct in the Company,
- to prohibit managerial personnel from taking any adverse personnel action against those employees and
- to provide necessary safeguards for protection of employees from reprisals or victimization

II. APPLICABILITY

This policy applies to all directors and employees of the Company to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

III. POLICY

- No adverse action shall be taken or recommended against an employee in retaliation to his disclosure in good faith of any unethical and improper practices or alleged wrongful conduct.
- This policy protects such employees from unfair termination and unfair prejudicial employment practices.
- However, this policy does not protect an employee from an adverse action which occurs independent of his disclosure of unethical and improper practice or alleged wrongful conduct, poor job performance, any other disciplinary action, etc. unrelated to a disclosure made pursuant to this policy.

IV. DEFINITIONS

Adverse Personnel Action

1. An employment-related act or decision or a failure to take appropriate action by managerial personnel which may affect the employee's employment, including but not limited to compensation, increment, promotion, job location, job profile, immunities, leaves and training or other privileges.

2. **Alleged Wrongful Conduct**

   Alleged Wrongful Conduct shall mean violation of law, infringement of Company's Code of Conduct or ethic policies, mismanagement, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.

3. Audit Committee

Audit Committee shall mean a Committee of Board of Directors of the Company, constituted in accordance with provisions of Section **177** of Companies Act, 2013 read with Clause 49 of Listing Agreement entered into by the Company with Stock Exchanges.

4. Company

Company means, "Salzer Electronics Limited"

5. Compliance Officer

Compliance Officer means, "Company Secretary" of the Company.

6. Good Faith

An employee shall be deemed to be communicating in 'good faith' if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge of a factual basis for the communication 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.

7. Managerial Personnel

Managerial Personnel shall include Director, all Executives at the level of Manager and above, who has authority to make or materially influence significant personnel decisions.

8. Policy or This Policy

Policy or This Policy means, "Whistle Blower Policy." Salzer Electronics Limited - **Whistle Blower Policy.**

9. Unethical and Improper Practices

Unethical and improper practices shall mean –

a) An act which does not conform to approved standard of social and professional behaviour;
b) An act which leads to unethical business practices;
c) Improper or unethical conduct;
d) Breach of etiquette or morally offensive behaviour,
e) An act of incorrect financial reporting;
f) An act not in line with applicable company policy;
g) Any unlawful act etc.

10. Whistle Blower / Complainant

An employee of the Company who discloses in good faith any unethical & improper practices or alleged wrongful conduct to the Head of Department or in case it involves Managerial Personnel to the Managing Director and the Chairman of the Company and in exceptional cases to the Audit Committee and the Chairman of the Company in writing. The Whistle Blower's role is as a reporting party, he/she is not an investigator. Although the Whistle Blower is not expected to prove the truth of an allegation, he needs to demonstrate to the Audit Committee, that there are sufficient grounds for concern.

V. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act 2013 and/or SEBI Act and/or any other SEBI Regulation(s) as amended from time to time.

VI. GUIDELINES

1. **Internal Policy & Protection under Policy**

This Policy is an internal policy on disclosure by employees of any unethical and improper practices or wrongful conduct and access to the Head of Department or in case it involves Senior Managerial Personnel access to the Managing Director/ Joint Managing Director and in exceptional cases access to the Chairman, Audit Committee of Directors constituted by the Board and the Chairman of the Company. This Policy prohibits the Company to take any adverse personnel action against its employees for disclosing in good faith any unethical & improper practices or alleged wrongful conduct to the Head of Department or to the Managing Director/ Joint Managing Director or to the Audit Committee. Any employee against whom any adverse personnel action has been taken due to his disclosure of information under this policy may approach the Audit Committee.

2. **Safeguards**

(i) Harassment or Victimization:

Harassment or victimization of the complainant will not be tolerated and could constitute sufficient grounds for dismissal of the concerned employee.

(ii) Confidentiality:

Confidentiality of whistle blower shall be maintained to the greatest extent possible. Every effort will be made to protect the whistle blower's identity, subject to legal constraints.

(iii) Anonymous Allegations:

Complainants must put their names to allegations as follow-up questions and investigation may not be possible unless the source of the information is identified. Concerns expressed anonymously SHALL NOT BE usually investigated BUT subject to

the seriousness of the issue raised the Audit Committee can initiate an investigation independently.

(iv) ***Malicious Allegations:***

Malicious allegations by employees may result in disciplinary action.

3. **False Allegation & Legitimate Employment Action**

An employee who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct to the Audit Committee shall be subject to disciplinary action, up to and including termination of employment, in accordance with Company rules, policies and procedures. Further, this policy may not be used as a defense by an employee against whom an adverse personnel action has been taken independent of any disclosure of information by him and for legitimate reasons or cause under Company rules and policies.

4. **Disclosure**

An employee who observes or notices any unethical & improper practices or alleged wrongful conduct in the Company may report the same to the Head of Department or in case it involves Managerial Personnel to the Managing Director/ Joint Managing Director and in exceptional cases to the Chairman, and / or Audit Committee through e-mail addressed to baskarasubramanian@salzergroup.com / *Contact No.0422 4233614*

5. **Accountabilities – Employees**

a. Bring to early attention of the company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern.

b. Avoid anonymity when raising a concern.

c. Co-operate with investigating authorities, maintaining full confidentiality.

d. The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty complaints. Malicious allegations by employees may attract disciplinary action.

e. A complainant has the right to protection from retaliation. But this does not extend to immunity for complicity in the matters that are the subject of the allegations and investigation.

f. In exceptional cases, where the complainant is not satisfied with the outcome of the investigation carried out by the Ombudsperson, she/he can make a direct appeal to the Chairman of the Audit Committee/ Chairman of the Company.

6. **Accountabilities – Head of Department/ Managing Director/Joint Managing Director / Audit Committee**

a. Conduct the enquiry in a fair, unbiased manner.
b. Ensure complete fact-finding.
c. Maintain strict confidentiality.
d. Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom.
e. Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures.
f. Minute Committee deliberations and document the final report.

VII. Procedures

- The whistle blowing procedure is intended to be used for **serious and sensitive issues**. Serious concerns relating to financial reporting, unethical & improper practices or alleged wrongful conduct shall make a disclosure to the Head of Department or in case it involves Managerial Personnel to the Managing Director /Joint Managing Director and in exceptional cases to the Audit Committee as soon as possible but not later than 45 consecutive calendar days after becoming aware of the same.

- The Departmental Head shall immediately forward Whistle Blower Report to the Managing Director /Joint Managing Director of the Company. The Managing Director may inquire in respect of the Whistle Blower Report and after preliminary inquiry, if required, shall report the same to the Audit Committee.

- Audit Committee shall appropriately and expeditiously investigate all whistle blower reports received. In this regard, Audit Committee, if the circumstances so suggest, may appoint a senior executive or a committee of managerial personnel to investigate into the matter and prescribe the scope and time limit therefore.

- Audit Committee shall have right to outline detailed procedure for an investigation. Where the Audit Committee has designated a senior executive or a committee of managerial personnel for investigation, they shall mandatorily adhere to scope and procedure outlined by Audit Committee for investigation.

- The Audit Committee or officer or committee of managerial personnel, as the case may be, shall have right to call for any information/document and examination of any employee of the Company or other person(s), as they may deem appropriate for the purpose of conducting investigation under this policy.

- A report shall be prepared after completion of investigation and the Audit Committee shall consider the same. After considering the report, the Audit Committee shall determine the cause of alleged Adverse Personnel action and may order for appropriate course of action, which may inter-alia, include:

a) Order for an injunction to restrain continuous violation of this policy;

b) Reinstatement of the employee to the same position or to an equivalent position;

c) Order for compensation for lost wages, remuneration or any other benefits, etc.

d) Disciplinary action, including dismissal, if applicable, as well as preventive measures for the future.

Subject to legal constraints, she/he will receive information about the outcome of any investigations. All discussions would be minuted and the final report prepared. The decision of Audit Committee shall be final and binding. If and when the Audit Committee is satisfied that the alleged unethical & improper practice or wrongful conduct existed or is in existence, then the Audit Committee may

a) Recommend to Board to reprimand, take disciplinary action, impose penalty / punishment order recovery when any alleged unethical & improper practice or wrongful conduct of any employee is proved.

b) Recommend termination or suspension of any contract or arrangement or transaction vitiated by such unethical & improper practice or wrongful conduct

VIII. Notification

All departmental heads are required to notify & communicate the existence and contents of this policy to the employees of their department. Every departmental head shall submit a certificate duly signed by him to the Compliance Officer that this policy was notified to each employees of his department. The new employees shall be informed about the policy by the Personnel department and statement in this regard should be periodically submitted to the Compliance Officer. This policy as amended from time to time shall be made available at the Web site of the Company.

IX. Annual Affirmation

The Company shall annually affirm that it has not denied any personnel access to the Audit Committee and that it has provided protection to whistle blower from adverse personnel action. The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Company.

Full Contact information:

Office of the Audit Committee (Compliance Officer)	E-Mail : **baskarasubramanian@salzergroup.com** Contact No. *0422 4233614*
Office of the Managing Director	E-Mail : rd@salzergroup.com Contact No.0422-4233612
Office of Joint Managing Director	E-Mail : rajesh@salzergroup.com Contact No.0422-4233610

YEAR -WISE SUMAMRY REPORT ON THE RECEIPT OF INFORMATION UNDER THE VIGIL MECHANISM

S.No	Financial year	No of Information / Report Receipt in pursuance of Whistle Blower Policy
1	FY14	Nil
2	FY15	Nil
3	FY16	Nil
4	FY17	Nil
5	FY18	Nil
6	FY19	Nil
7	FY20	Nil
8	FY21	Nil
9	FY22	Nil
10	FY23	Nil

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