

MABEN NIDHI LIMITED

VIGIL MECHANISM POLICY

(As approved by the Board on 11th October 2014)

PREAMBLE

The Company 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 and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the Directors, Employees in pointing out such violations of the Code cannot be undermined.

The Vigil Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct or the Policy.

Section 177 (9) of the Companies Act, 2013 mandates the following classes of companies to constitute a Vigil Mechanism –

- Every listed company;
- Every other company which accepts deposits from the public;
- Every company which has borrowed money from banks and public financial institutions in excess of Rs. 50 crores.

Such a Vigil Mechanism shall provide for adequate safeguards against victimization director(s) or employee(s) or any other person who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

POLICY

In compliance of the above requirements, Maben Nidhi Limited, has established a Vigil Mechanism and formulated a Policy in order to provide a framework for responsible and secure Vigil Mechanism.

DEFINITIONS

“Audit Committee” means the Audit Committee of Directors constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.

“Director” means every Director of the Company, past or present.

“Employee” means every employee of the Company including the directors in the employment of the Company.

“Protected Disclosure” means a written communication of a concern made in good faith, which discloses or demonstrates information that may evidence an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the Company. 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.

“Subject” means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

“Ethics Officer” is a person nominated/appointed to receive protected disclosures from Complainants, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Complainants the result thereof.

“Complainant” is a Director or employee who makes a Protected Disclosure under this Policy.

“Whistleblower” means an Employee or director making a Protected Disclosure under this Policy.

SCOPE

The Whistleblower’s role is that of a reporting party with reliable information. 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.

Whistleblowers 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 Ethics Counsellor or the Chairman of the Audit Committee or the Investigators.

Protected Disclosure will be appropriately dealt with by the Ethics Counsellor or the Chairman of the Audit Committee, as the case may be.

The Policy has been established with a mandate to cover professional misconduct and/or events which have taken place or are anticipated to take place which include but are not limited to the following:

1. Breach of the Company's general Code of Conduct
2. Breach of Business Integrity and Ethics
3. Breach of terms and conditions of employment and rules thereof
4. Intentional Financial irregularities, including fraud, or suspected fraud
5. Deliberate violation of laws/regulations
6. Gross or willful negligence causing substantial and specific danger to health, safety and environment
7. Manipulation of company data/records
8. Pilferation of confidential/propriety information
9. Gross Wastage/misappropriation of Company funds/assets

The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

ELIGIBILITY

All Directors and Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

PROCEDURE

All Protected Disclosures concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation.

In respect of all other Protected Disclosures, those concerning the Ethics Counsellor and employees at the levels of General Manager and above should be addressed to the Chairman of the Audit Committee of the Company and those concerning other employees should be addressed to the Ethics Officer of the Company.

All Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after he becomes aware of the same and should either be typed or written in a legible handwriting in Malayalam or English.

The Protected Disclosure should be submitted under a covering letter signed by the complainant in a closed and secured envelope and should be super scribed as “Protected Disclosure under the Vigil Mechanism Policy” or sent through email with the said subject line. If the complaint is not super scribed and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure.

The contact details of Audit Committee Chairman is as under:

The Chairman of Audit Committee
Maben Nidhi Limited
Near High School Junction
P O Valapad, Thrissur, Kerala- 680 567

The contact details of the Ethics Officer of the Company

The Company Secretary
Maben Nidhi Limited
Building No. V/421
Near High School Junction
P O Valapad, Thrissur, Kerala- 680 567
Email: cs@maben.in

In order to protect the identity of the complainant, the Chairman/ Ethics Officer will not issue any acknowledgement to the complainants and they are not advised neither to write their name/address on the envelope nor enter into any further correspondence with the Ethics Officer. Anonymous/Pseudonymous disclosure shall not be entertained by the Ethics Officer.

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 allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

On receipt of the protected disclosure, the Ethics Officer shall detach the covering letter bearing the identity of the Complainant and process only the Protected Disclosure.

INVESTIGATION

All Protected Disclosures reported under this Policy will be thoroughly investigated by the Ethics Officer/Chairman of the Audit Committee of the Company who will investigate/oversee the

investigations under the authorization of the Audit Committee. If any member of the Audit Committee has a conflict of interest in any given case, then he/she should recuse himself/herself and the other members of the Audit Committee should deal with the matter on hand.

The Audit Committee, if deems fit, may call for further information or particulars from the complainant and at its discretion, consider involving any other/additional Officer of the Company and/or Committee and/or an outside agency for the purpose of investigation.

The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.

Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

Subjects shall have a duty to co-operate with the Ethics Officer/Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self- incrimination protections available under the applicable laws.

Subjects have a right to consult with a person or persons of their choice, other than the Ethics Officer/Investigators and/or members of the Audit Committee and/or the Whistleblower. 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.

The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

DECISION AND REPORTING

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit.

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 Ethics Officer shall submit a report to the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Ethics Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

CONFIDENTIALITY

The complainant, Ethics Officer, Members of Audit Committee, the Subject and everybody involved in the process shall, maintain confidentiality of all matters under this Policy, discuss only to the extent or with those persons as required under this policy for completing the process of investigations and keep the papers in safe custody.

PROTECTION

No unfair treatment will be meted out to a Complainant by virtue of his/ her having reported a Protected Disclosure under this policy. Adequate safeguards against victimisation of complainants shall be provided. The Company will take steps to minimize difficulties, which the Complainant may experience as a result of making the Protected Disclosure.

The identity of the Complainant shall be kept confidential to the extent possible and permitted under law. Any other employee assisting in the said investigation shall also be protected to the same extent as the Complainant.

DISQUALIFICATIONS

While it will be ensured that genuine Complainant are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.

Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Complainant knowing it to be false or bogus or with a mala fide intention. Complainants, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious, shall be liable to be prosecuted.

ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Complainant shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

COMMUNICATION

Directors and Employees shall be informed of the Policy and shall be placed in the website of the Company.

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 5 (five) years or such other period as specified by any other law in force, whichever is more.

AMENDMENT

The provisions of this Policy may be amended by the Board in whole or in part at any time on the recommendation of the Audit Committee. However, no such amendment or modification will be binding on the Employees and directors unless the same is notified to the Employees and directors in writing.