



TSUGAMI PRECISION ENGINEERING
INDIA PRIVATE LIMITED

VIGIL MECHANISM POLICY

(Pursuant to Section 177 of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014)

Adopted on 29th March, 2024

1. PREAMBLE:

Tsugami Precision Engineering India Private Limited (“TPE”), considering the interest of all its well-wishers, who want to report genuine concerns within the organization, implements the Vigil Mechanism Policy (“the Policy”).

2. POLICY OBJECTIVES:

- Encourages to raise concern: The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. In order to maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express their concerns without any fear of punishment or unfair treatment.
- Acts as a Channel to report: A Vigil Mechanism provides a channel to the employees and Directors to report to the management, the concerns about any unethical behavior, actual or suspected fraud or violation of codes of conduct or policy.
- Providing safeguard: The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism.

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 allegation against people in authority and / or colleagues in general.

3. SCOPE OF THE POLICY:

The Policy covers malpractices and events which have taken place / suspected to have taken place including misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulation, negligence causing danger to public health and safety, misappropriation of monies, misuse of Company assets and resources, procurement fraud, false reimbursements, conflict of interest, inappropriate sharing of confidential and sensitive information, corruption, bribery, money laundering, Non-adherence to safety guidelines, discrimination in any form and any other matters or activity on account of which the interest of the Company is affected.

Please note that complaints concerning personal grievances, such as professional development issues or Employee compensation, are not covered under the scope of this Policy.

4. DEFINITIONS:

- a. “Alleged wrongful conduct” shall mean violation of law, Infringement of Company’s rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health safety or abuse of authority.

- b. “Board” means the board of directors of the Company.
- c. “Company” means Tsugami Precision Engineering India Private Limited and all its Branch offices and tech centers.
- d. “Chairperson” means the Director appointed by the Board for the purpose of Vigil Mechanism, pursuant to Rule 7 sub rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014
- e. “Director” means a director appointed to the Board of a company.
- f. “Employee” means all the present employees and Directors of the Company.
- g. “Protected Disclosure” means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the Company. It should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- h. “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.
- i. “Vigilance Officer” means an officer nominated by the Company to conduct detailed investigation under this policy and to receive protected disclosure from Whistle blowers, maintaining records thereof, placing the same before the Board for its disposal and informing the Whistle Blower the result thereof.
- j. “Whistle Blower” is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

5. ELIGIBILITY:

This Policy applies to all Employees and directors, regardless of their location.

6. PROCEDURE FOR RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES:

- a. All Protected Disclosures should be reported in writing by the Whistle Blower as soon as possible after the Whistle Blower becomes aware of the same in the prescribed format.

The Protected Disclosure can be submitted by dedicated e-mail or by letter that can be posted or dropped in the box affixed at the registered office and factory in a closed and secured envelop which should be super scribed as “Protected Disclosure under the Vigil Mechanism Policy”. If the complaint is not super scribed and closed as mentioned above when posted, it is not possible for the management to protect the complainant and the protected disclosure will be dealt with as a normal disclosure.

- b. All Protected Disclosures can be addressed to the Vigilance Officer of the Company or to the Chairperson in appropriate or exceptional cases.

- c. The Company will provide a dedicated mail address exclusively for the purpose of reporting concerns or Protected Disclosures under the Policy. In exceptional cases where a complaint is against any of the Vigilance Officers, the same may be reported to the Chairperson.
- d. On receipt of the protected disclosure the Vigilance Officer / Chairperson, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not. the Vigilance Officer / Chairperson, as the case may be, shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency for further appropriate investigation and needful action.

The aforementioned record shall include:

- i. Brief facts of the protected disclosure;
- ii. Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- iii. Whether the same Protected Disclosure was raised previously on the same subject;
- iv. Details of actions taken by Vigilance Officer / Chairperson for processing the complaint;
- v. Findings and recommendations by Vigilance Officer/ Chairperson.

7. INVESTIGATION:

- a. All Protected Disclosures are taken seriously and be promptly scrutinized and investigated by the Vigilance officer or the Chairperson as the case may be or any other officer of the Company and/ or an outside agency authorised by the Chairperson.
- b. The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact-finding process.
- c. Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- d. Subject(s) shall have a duty to co-operate with Vigilance Officer appointed in this regard.
- e. Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance Officer / Investigators and/or Chairperson.
- f. Subject(s) have a responsibility not to interfere with the investigation in any manner and that the evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).
- g. Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong

doing against a subject(s) shall be considered as maintainable unless there is proper evidence in support of the allegation.

- h. Subject(s) have a right to be informed of the outcome of the investigations. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- i. The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as approved by the Chairperson.

8. REPORTING:

- a. If an investigation leads the Vigilance Officer / Chairperson to conclude that an improper or unethical act has been committed, the Vigilance Officer / Chairperson shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit. It is clarified that 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.
- b. The Vigilance Officer shall submit a report to the Chairperson on a Quarterly basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.
- c. In case the Subject is the any of the Vigilance Officers, the Chairperson after examining the Protected Disclosure shall forward the protected disclosure to any other Vigilance Officer, if deemed fit. In case the Subject is the Chairperson, the Board of Directors shall be informed and they shall appropriately and expeditiously investigate the Protected Disclosure.
- d. If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to proceed for appropriate legal solutions.

11. PROTECTION:

- a. No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy.
- b. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties / functions including making further Protected Disclosure.

- c. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.
- d. A Whistle Blower may report any violation of the above clause to the Chairperson, who shall investigate into the same and recommend suitable action to the management.
- e. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.
- f. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Chairperson is authorized to initiate appropriate action as per regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.
- g. Provided, however that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Vigilance officer/ Chairperson shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules / certified standing orders of the Company.
- h. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.
- i. The role of a Whistle-blower is limited to making a Protected Disclosure. A Whistle-blower should not engage in investigations concerning a Reportable Matter that is the subject of a Protected Disclosure. Neither should a Whistle-blower become involved in determining the appropriate corrective action that might follow from the submission of a Protected Disclosure.

12. 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.

13. PREVENTION OF MISUSE OF POLICY:

- a. The Disclosure made by the Whistle Blower must be genuine with adequate supporting proof, if available.
- b. All cases without the identity of whistle blower will be dropped & will not be entertained for investigation.
- c. Matter related to interpersonal issues, service conditions, organizational policies should be reported through the existing organizational channels only.
- d. In case of any frivolous complaints by any Employee, the Chairperson may take any suitable action as it may deem fit.
- e. Further in case of repeated frivolous complaints being filed by an Employee, the Chairperson may take suitable action(s), including reprimand and the disciplinary measures as mentioned above, against the Concerned Employee.

14. REVIEW AND AMENDMENT OF THE POLICY:

The Company reserves its 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 modification will be binding on the Employees unless the same is notified to them in writing.



FORM FOR VIGIL MECHANISM

| <u>S. No.</u> | <u>Details</u> | <u>Particulars</u> |
|----------------------|--|---------------------------|
| 1. | Date: | |
| 2. | Name of the Employee/ Director (Complainant/Whistle-blower) | |
| 3. | Communication Address of employee/ Director | |
| 4. | Contact Mobile Number and e-mail ID of employee/ Director | |
| 5. | Subject Matter reported (Name of the Person/ event focused at) | |
| 6. | Brief about concern | |
| 7. | Evidence enclosed, if any | |
| 8. | Signature | |

Note: The concerns should be submitted at least within 30 days of the Occurrence of the Concern/ event (or) before Occurrence as the case may in order to take effective measures.