

VIGIL MECHANISM AT TATA CAPITAL

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013, it is required to *establish a Vigil Mechanism, for the directors and employees to report genuine concerns, in such manner as may be prescribed.*

Tata Capital Limited and its subsidiaries (“Tata Capital”) has in place a framework along with multiple touch points where concerns can be reported by directors, employees and other stakeholders. The framework provides for proactive and reactive measures to facilitate a robust Vigil Mechanism.

Key elements of the framework are enumerated below:

- **Tata Code of Conduct**
 - Tata Capital has adopted the **Tata Code of Conduct (“TCOC”)**. The TCOC consists of a set of principles that guide and govern the conduct of Tata companies and places a responsibility on employees to escalate concerns. This document is accessible on the website and intranet and is periodically communicated and reinforced to all employees and Directors. The escalation mechanism where concerns can be reported is also specified.
- **Whistleblower Policy for Directors and Employees**
 - Based on the TCOC framework, Tata Capital has drawn up a **“Whistleblower Policy for Directors and Employees” (“Policy”)**. This has been suitably communicated to all employees and Directors and is available on the intranet and the website. The policy lays down how a director or employee can make a protected disclosure. It also, *inter alia*, contains the contact details **of the Chairman of the Audit Committee** to whom such disclosures may be made. The Policy lays down the guidelines for investigation, reporting and for providing protection to the whistleblower.
- **Additional channels where concerns can be reported**
 - The Company has a **dedicated email id ethics@tatacapital.com** where employees and other stakeholders can escalate matters of concern. This email id has been widely publicized to the employees and is also available on the website.
 - Employees can directly email to the **Managing Director & CEO of Tata Capital Limited, on a dedicated email id md@tatacapital.com** on any matter – suggestions, areas of concerns, matters of importance.
 - The Company also has a **third-party reporting channel** for employees to report ethical concerns via the service providers web portal or to a dedicated email id. This facility is operated by a UK based Company.
- **Various committees and teams**
 - There are various Management committees and teams in place to receive concerns, take proactive measures, detect frauds and initiate appropriate action, as under:
 - **Fraud Risk Management Committee (FRMC)** – comprising of senior Business and Functional Heads which reviews the fraud matters which have been identified and investigated and recommends punitive and corrective action. It also initiates and or recommends process changes so as to strengthen internal processes

- **Risk Containment Unit** (RCU) – comprising an experienced team which constantly scans transactions and deals on a proactive basis and also assists with investigations and training initiatives.
 - **Investigation Officer** – Trained resource who handles fact finding and investigations based on matters reported.
 - **Ethics Committee** – Cross Functional Committee of senior leadership that reports to the MD, receives concerns from employees and other stakeholders, and facilitates inquiry and action.
 - Additionally, the Company also has appointed **Regional and Locational Ethics Counselors** to complement the Ethics related initiatives in their regions / locations.
 - The **Internal Audit** function is headed by the Chief Internal Auditor of Tata Capital Limited, who reports to the Chairman of the Audit Committee. Internal Audit conducts proactive audits, reactive checks, highlights the lapses and areas of concern and monitors corrective action. Whenever required, external agencies are appointed to supplement efforts of Internal Audit.
 - The **Compliance Officer** and his team monitors the Regulatory Compliances.
 - **Policies and Processes**
 - There are various **policies** in place to guide and govern employees at the workplace in all their dealings. The policies are communicated to all employees and are accessible on the intranet.
 - **Communication**
 - The tenets of TCOC, commitment to ethical behavior and dealings, the Vigil Mechanism and the escalation mechanism where matters can be reported are constantly reinforced to all employees, through email communications, senior leadership engagement, town halls and through small group interactions.
 - All the agreements and contracts signed with customers, vendors, Direct Sales Agents (“DSA”), etc. contain the email id where ethical breaches and suspected fraudulent activity can be escalated.
 - Vendors and DSAs are engaged through specific communication, highlighting the expectations of moral dealings and reporting of concerns.
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