



WHISTLE BLOWER POLICY

ESSAR SHIPPING LIMITED

VERSION NUMBER 1.1

DOCUMENT CONTROL

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Prepared By:	Vinayak Joshi, Company Secretary
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1. PURPOSE:

The whistleblower Policy aims at encouraging and supporting Positive Action in Essar Shipping Limited (the Company) by clearly defining a framework, which allows reporting of inappropriate conduct or behavior, such as demanding or accepting bribe, questionable accounting or fraudulent financial transactions. This policy outlines the procedures for reporting, handling, investigating and deciding on the course of action to be taken in case inappropriate conduct/behavior is/are noticed or suspected. This policy furthermore aims not only at protecting the identity of the “Whistleblower” but also protecting him/her from any subsequent

retribution within the system by any affected party. With an intention to encourage a clean work environment, the company may provide opportunities for requital in such matters.

To meet the above objective, the Board of Directors of the Company has decided to adopt this policy by formulating a procedure to bring to attention of the Management incidents of improper conduct/s without fear of victimization.

2. **DEFINITIONS:**

The definitions of some of the terms used in this policy are given below:

- a. “**Audit Committee**”: means the Audit Committee constituted by the Board of Directors of the Company pursuant to section 177 of the Companies Act, 2013 and clause 49 of the listing agreement with Indian Stock Exchanges.
- b. “**Company Executives and Other Business Partners**” or “**CEOBP**” means all directors, managerial employees, non-managerial employees, contract workmen, consultants, advisors and trainees of Essar Shipping Limited.
- c. “**Defendant**”: means any CEOBP against whom an allegation has been made
- d. “**Inappropriate conduct**” is defined in paragraph 4 of the Policy.
- e. “**Investigation team**” means those persons authorised appointed consulted or approached by the Audit Committee or the Chairman of the Audit Committee and includes the auditors of the Company and the police.
- f. “**Whistleblower**” means any CEOBP reporting an inappropriate conduct or behavior.

3. **APPLICABILITY**

This Policy applies to all CEOBPs. This policy also covers within its ambit all third parties who not being in direct employment of the company are involved directly or indirectly in doing

business with the company either as vendors or as suppliers of the company. Any CEOBP can report an inappropriate conduct in the company.

4. COVERAGE AND SCOPE

Inappropriate Conduct is an act:

- i. That is dishonest.
- ii. That leads to an intentional waste, mismanagement, abuse of authority, theft, conversion or misuse of Company's property.
- iii. That is in breach of applicable local/domestic/international laws in the area of operation. That is in breach of Essar Shipping Limited's defined policies, processes and standard operating procedures.
- iv. That involves questionable accounting or fraudulent financial transactions including a misrepresentation that knowingly misleads, or attempts to mislead a CEOBP to obtain financial or other benefits or to avoid fulfilling obligations.
- v. That is corrupt, which means the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence the actions of another CEOBP.
- vi. That includes coercive practices by the defendant, which involves impairing or harming, or threatening to impair or harm, directly or indirectly, any CEOBP or the property of the CEOBP to influence improperly under duress, actions of the CEOBP.
- vii. That involves conspiracy or collusive practices, which means an arrangement between two or more defendants designed to achieve an improper purpose, including influencing improperly the actions of another CEOBP, which is against the interest of the company.
- viii. Health and safety risks including risks to the public as well as other employees
- ix. Abuse of vulnerable adults (e.g. through physical, sexual, physiological or financial abuse, exploitation or neglect)

Note: The above list of inappropriate conduct/behavior is only illustrative by nature and not exhaustive; the Audit Committee is the final deciding authority on whether a conduct/behavior lies within the scope of this policy.

5. DISQUALIFICATIONS:

Cases reported under this policy would be disqualified under the following circumstances:

If it is found that a complaint has been made solely and/or maliciously, purely as an act of retribution against another CEOBP. In such a case, the false Whistleblower is liable for disciplinary action and punishment for mala-fide complaint made under this policy. The decision-making authority for this lies with the Audit Committee.

Complaints associated with unsatisfactory probation reports and performance evaluations. Such cases shall be referred to the Human Resources Department and redress sought through other mechanisms established within the system. However, where in the view of the Whistleblower, factors such as probation reports, performance evaluations or work assignments and opportunities are being used by management in a retaliatory manner, the Policy shall apply.

Complaints made anonymously. Anonymous complaints may be investigated by the company at its sole discretion through its internal Audit/Vigilance/HR departments, appositely.

The Audit Committee has the discretion to disqualify any complaint from being investigated under this policy, by recording such decisions specifically in writing. However, such a decision shall be arrived at unanimously, without any dissent.

6. ADVOCACY FOR WHISTLEBLOWERS:

The Audit Committee of the Company shall govern the acts covered under whistle-blower policy. The Audit Committee has access to all the channels through which complaints under this policy can be received.

The Audit Committee selects the members of the Investigation Team on a case-to-case basis.

7. AUDIT COMMITTEE COMPLAINT RECORDING PROCEDURE:

- 1) There are two Channels through which a Whistleblower can report an inappropriate conduct/behavior.
 - a. Posting a letter to Audit Committee of the Company, Essar House, 11, K. K. Marg, Marg, Mahalaxmi, Mumbai – 400 034
 - b. Sending an e-mail on company's email address esl.secretarial@essar.com

The authority to access the complaints made through any of the two channels would rest only with Audit Committee.

The Whistleblower is expected to have knowledge of the facts on which the complaint is based and must therefore disclose sufficient facts about the existence of improper conduct by a defendant in the complaint.

- 2) The Audit Committee receives the complaint and decides whether the complaint qualifies for further investigation under the Essar Shipping's Whistleblower Policy.
- 3) If the Audit Committee decides that the complaint qualifies for investigation under the Whistleblower Policy, it selects the members of the Investigation Team.
- 4) It is the responsibility of the Audit Committee to convene a joint meeting of the Audit Committee and the Investigation Team. In this meeting, the Investigation Team is briefed about the complaint.
- 5) The Investigation Team submits the Investigation Report to the Audit Committee clearly indicating their findings.
- 6) If the Audit Committee is satisfied with the findings of the Investigation Team, it takes a decision in after taking the inputs of the People's Committee based on whether the defendant(s) have been found guilty or not guilty and accordingly imposes necessary penalties.
- 7) If the defendant(s) has been found not guilty, they are given a letter of exoneration from charges leveled against them by the Whistleblower.

- 8) A member of the Audit Committee informs the Whistleblower about the final outcome of the investigation, as well as the action taken.
- 9) The Audit Committee shall report on a periodic basis the details of receipt of complaints, investigations carried out and outcome of the same to the Board of Directors.

Note: It must be noted here that the decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact-finding process.

8. CONFIDENTIALITY OF IDENTITY OF THE WHISTLEBLOWER:

- a. It is the obligation of the Audit Committee to ensure total confidentiality of the identity of the Whistleblower unless he/she agrees to be identified.
- b. Wherever identification of the Whistleblower is necessary to allow Essar Shipping or the appropriate law enforcement officials to investigate or respond effectively to the disclosure, the same would be done in consultation with the Whistleblower and the relevant law enforcement agencies.
- c. Identification is required by law or under Essar Shipping's rules and regulations, where a false accusation has been maliciously made, or if the person accused is entitled to the information as a matter of legal right or under Essar Shipping's rules and regulations in the disciplinary proceedings, the same shall be done in consultation with the Whistleblower prior to revealing his/her identity.

9. PROTECTION FROM RETALIATION:

Retaliation is any act direct or indirect, recommended, threatened or taken against a Whistleblower because the Whistleblower has made a complaint under the policy. A direct quid-pro-quo needs to be established between the action/threat faced by the Whistleblower

and the original complaint made under this policy, which forms the basis/purpose of this retaliation.

Retaliation includes:

Discrimination, Physical or mental harassment vengeance by any other means or form or a combination of the two.

Retaliation against any Whistleblower(s) by any defendant(s) directly/indirectly, will be treated as an offence meriting Disciplinary Action and (or) Criminal Implication. The acts of Retaliation by those not qualifying as CEOBP would be reported to the local law enforcement agency, at the discretion of the Audit Committee.

The Whistleblower, any other CEOBP or anyone outside the Essar Group can report acts of Retaliation against the Whistleblower, his/her life, property, lives of relatives and acquaintances. The Audit Committee will monitor complaints of Retaliation on an ongoing basis.

In all cases it will be the duty of the Audit Committee to ensure that the Whistleblower is protected from Retaliation

10. GRIEVANCES:

If the Whistleblower feels aggrieved with the disposition of his or her complaint or if the Whistleblower or defendant feel that either of them is entitled to or has not been provided protection or has been disregarded, the Whistleblower or defendant, as the case may be, may make a representation in writing of his or her grievance to the Chairman of the Audit Committee in writing who will take such action as he considers necessary to redress the grievance. The decision of the Chairman of the Audit Committee shall be binding on the Whistleblower and the defendant.

11. OPPORTUNITIES FOR REQUITAL:

The company may provide appropriate requitals in suitable cases to encourage creating an environment where wrongful acts are reported to the management whilst protecting the identity and interest of the Whistleblower at all times.

12. REVIEW AND EVALUATION:

The Board of Directors will annually review and evaluate the adequacy of its policy and recommend the changes

13. APPROVAL AND REVISION:

This Policy was approved by the Board of Directors at their meeting held on May 20, 2014.
