Chembond Material Technologies Limited
(formerly Chembond Chemicals Limited)
Vigil Mechanism / Whistle Blower Policy

As per the provisions of Section 177(9) of the Companies Act 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules 2014, every listed company shall establish a vigil mechanism for directors and employees to report genuine concerns or grievances. The Audit Committee of the Company shall oversee the vigil mechanism. The mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and make provisions for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The establishment of vigil mechanism shall be disclosed in the website of the Company.

Similarly, Chembond Material Technologies Limited ("CMTL" or the "Company"), being listed, needs to comply with Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said regulation, *inter alia,* provides for requirement for all listed Companies to establish a mechanism called 'Whistle Blower Policy' for directors and employees to report genuine concerns or grievances.

Accordingly, the Company in compliance with Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 hereby establishes and adopts a Vigil Mechanism Policy (Whistle Blower Policy) for the Company being a listed company has to comply with the above mentioned provision and establish a vigil mechanism.

The Vigil Mechanism Policy of the Company is as mentioned below:

A. Policy Objectives :-

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) Mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the codes of conduct or policies. The mechanism provides for adequate safeguards against victimization of employees and directors to avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee.

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 against people in authority and/or colleagues in general.

B. Scope of the Policy :-

This Policy covers malpractices and events which have taken place/suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

C. Definitions :-

"Alleged wrongful conduct" shall mean violation of law, infringement of Company's rules & policies, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority".

"Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Board" means the Board of Directors of the Company.

"Company" means the Chembond Material Technologies Limited and all its offices.

"Employee" means all the present employees and whole time Directors of the Company (whether working in India or abroad).

"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.

"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.

"Vigilance and Ethics Officer" means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

"Whistle Blower" or *"Complainant"* is an employee or group of employees who makes a Protected Disclosure under this Policy.

D. Eligibility :-

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

E. Scope of the Policy :-

1. Breach of the Company's Code of Conduct or other codes, policies etc. framed from time to time

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. Manipulation of company data/records
7. Pilferage of confidential/propriety information
8. Misappropriation of Company funds/assets
9. Any other fraudulent activity which may affect the Company adversely

F. Receipt and Disposal of Protected Disclosures :-

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

2. The Protected Disclosure should be sent/submitted to the Company in a closed and secured envelope and should be superscribed as "Protected disclosure under the Vigil Mechanism Policy". The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Complainant. Alternatively, the same can be sent through an email with subject "Protected disclosure under the Vigil Mechanism Policy". If the complaint is not superscribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure.

3. All Protected Disclosures should be addressed to the Vigilance and Ethics Officer of the Company or to the Chairman of the Audit Committee. Anonymous/pseudonymous disclosure shall not be entertained.

4. On receipt of the protected disclosure the Vigilance and Ethics Officer shall detach the covering letter and process only the Protected Disclosure so that the identity of the Complainant does not get disclosed. In order to protect identity of the complainant, the Vigilance and Ethics Officer will not issue any acknowledgement to the complainants. The Vigilance and Ethics Officer shall assure that in case any further clarification is required he will get in touch with the complainant.

5. The Company Secretary of the Company shall be the Vigilance and Ethics Officer. The contact details of the Vigilance and Ethics Officer is as under:-

   Name and Address – Suchita Singh - Company Secretary,
   Chembond Material Technologies Limited
   EL-71, Chembond Centre, MIDC, Mahape,
   Navi Mumbai, 400 710.
   Email – suchita.singh@chembond.in or
   cs@chembond.in

6. Protected Disclosure against the Vigilance and Ethics Officer should be addressed to the Chairman of the Audit Committee and the Protected Disclosure against the Chairman of the Audit Committee should be addressed to the Chairman of Company.

7. On receipt of the protected disclosure the Vigilance and Ethics Officer/ Chairman of the Audit Committee, 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. He/she shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:
    a) Brief facts;
    b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
    c) Whether the same Protected Disclosure was raised previously on the same subject;
    d) Details of actions taken by Vigilance and Ethics Officer / Chairman/ CEO for processing the complaint
    e) Findings of the Audit Committee
    f) The recommendations of the Audit Committee/ other action(s).

    8. The Audit Committee, if deems fit, may call for further information or particulars from the complainant.

G. Investigation **:-**

1. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Vigilance and Ethics Officer of the Company or such other officer as authorised by Vigilance and Ethics Officer who will investigate / oversee the investigations under the authorization of the Audit Committee. Chairman of Audit Committee / Vigilance and Ethics Officer may at its/his/her discretion consider involving any investigators for the purpose of Investigation.

2. The decision to conduct an investigation taken into a Protected Disclosure by itself is not an acceptance of the accusation by the Authority and is to be treated as a neutral fact-finding process because the outcome of the investigation may or may not support accusation.

3. 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.

4. Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.

5. Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer/Investigators and/or members of the Audit Committee and/or the Whistle Blower.

6. Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).

7. 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 good evidence in support of the allegation.

8. 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.

H. Decision and reporting :-

1. If an investigation leads the Vigilance and Ethics Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance and Ethics Officer / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he/she 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.

2. The Vigilance and Ethics Officer shall submit a report to the Chairman of the Audit Committee on a reasonably regular basis about all Protected Disclosures referred to him/her since the last report.

3. If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.

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

I. Secrecy / confidentiality :-

The Whistle Blower, Vigilance and 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.
- Not keep the papers unattended anywhere at any time
- Keep the electronic mails/files under password/safe from unauthorised access.

J. Protection :-

1. No unfair treatment will be given to a Whistle Blower by virtue of his/ her having reporteds a Protected Disclosure under this policy. 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. The Company will take steps to minimize difficulties which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

2. A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.

3. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he/she himself/herself 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 Audit Committee is authorized to initiate appropriate action as per extant 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.

4. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

5. The complainant before making a complaint should have a reasonable belief that an issue exists and he should act in good faith. Any complaint not made in good faith as assessed as such by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per certified standing orders of the Company. 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.

K. Access to Chairman of the Audit Committee :-

The Whistle Blower 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.

L. Communication :-

A whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in notice board and the website of the company.

M. 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 7 (seven) years or such other period as specified by any other law in force, whichever is more.

N. Amendment :-

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 and Directors unless the same is notified to them in writing.

For Chembond Material Technologies Limited

Sameer V. Shah
Chairman and Managing Director

30th May, 2018
Mumbai