

AUSTERE SYSTEMS LIMITED

VIGIL MECHANISM POLICY

(Effective from Thursday, 1st Day of August 2024 approved by Board of Director on Thursday, 1st Day of August 2024)

1. Introduction

Austere Systems Limited ("**Company**"), is committed to conducting business with integrity, including in accordance with all applicable laws and regulations.

As per the provisions of Section 177(9) of the Companies Act 2013 ("**Act**") and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires every listed company to establish a vigil mechanism for the directors and employees to report genuine concerns or grievances. Further, Rule 7 of Companies (Meetings of Board and its Powers) Rules 2014 ("**Rules**") provides that, every listed company, every Company which accept deposits from the public or the Companies which have borrowed money from banks and public financial institutions in excess of fifty crore rupees shall establish a vigil mechanism for directors and employees to report genuine concerns.

A vigil mechanism provides a channel to employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or any Policy of the Company.

Accordingly, this Whistle Blower Policy (the "**Policy**") and Vigil Mechanism as part of this Policy has been formulated with a view to provide a mechanism for directors, employees as well as other stakeholders of the Company to approach the Chairman of the Audit Committee of the Company

2. Scope

The Scope of this Policy is to provide opportunity to Whistle Blower to report genuine concerns or grievances in violation of the Company's Code of Conduct to the Vigilance Committee without fear of punishment or unfair treatment with reassurance that they will be protected from victimization for reporting such genuine concerns or grievances.

This Policy applies to all the Directors, employees of the company, regardless of their location. Violations will result in appropriate disciplinary action. The directors and employees are required to familiarize themselves with this Policy, and seek advice from the HR of the Company, if any question arises.

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, insider trading, inappropriate sharing of company sensitive information, child labour, sexual harassment, 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.

3. Definitions

Definitions of some of the key terms used in the mechanism are given below:

- 3.1. **“Adverse Action”** means an act or decision in relation to an employment/ contract- which may affect the continuation of or terms of engagement for such employee(s), director(s) or officer(s) , including, but not limited to reduction in compensation & payments, being rendered ineligible for further orders, being rendered ineligible for increment, promotion, specific job profiles, immunities, leaves and training or other privileges.
- 3.2. **“Board”** means the Board of Directors of the Company.
- 3.3. **“Code”** means the Code of Business Conduct and Ethics for Directors and Senior Management Executives adopted by the Company.
- 3.4. **“Company”** means the Austere Systems Limited and all its offices.
- 3.5. **“Corrupt Practice”** means any offering, giving, receiving or soliciting directly or indirectly of ‘Anything of Value’ to influence improperly the actions of another party. Any other misconduct related to fraud, cartels and other anti-trust/anti-competition offences, collusion, coercive practices or money laundering shall tantamount to a Corrupt practice.
- 3.6. **“Director”** means all the directors appointed on the board of Company, from time to time.
- 3.7. **“Audit Committee”** means a committee constituted by the Board of Directors of the Company in accordance with Companies Act, 2013.
- 3.8. **“Employee”** means all the present employees and whole time Directors of the Company (whether working in India or abroad).
- 3.9. **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates evidence of any fraud or unethical activity within 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.
- 3.10. **“Subject”** means a person against whom or in relation to whom the Protected Disclosure is made or evidence is gathered during the course of an investigation.
- 3.11. **“Reportable Matter”** Shall mean violation of law, infringement of Company’s Ethics and Code of Conduct policies, performance of any act defined as Corrupt Practice, mismanagement, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.
Reportable Matter as illustrated below may include but is not limited to:
 - Forgery, falsification or alteration of documents;
 - Unauthorized alteration or manipulation of computer files internet data;

- Fraudulent reporting, willful material misrepresentation;
- Pursuit of a benefit or advantage in violation of the Company's interest;
- Misappropriation/misuse of Company's resources, like funds, supplies, vehicles or other assets;
- Improper use of authority;
- Unauthorized release of proprietary information;
- Theft of cash;
- Theft of goods/ services;
- Falsification, destruction of Company records;
- Solicitation accepting/ giving, Kickbacks, bribes, expensive gifts, directly or indirectly through business connections including vendors and contractors (for this purpose, gifts / complimentary, etc.);
- Engage in anti-competitive behavior while bidding for Tenders
- Entering into cartels, concealing information in bidding process, non-disclosure of engagement of third parties in bidding documents
- Money laundering activities, round tripping of funds
- Authorizing/receiving compensation for goods not received/ services not performed;
- Authorizing/receiving or receiving compensation for hours not worked;
- Fraudulent insurance claims;
- Providing (unauthorized) confidential information to external agencies; or
- Leak of Unpublished Price Sensitive Information.

Further, any complaints concerning personal grievances such as professional development issue of employee compensation, Dissatisfaction with appraisals and rewards shall not be considered as Reportable Matter.

3.12. **“Good Faith”**

Director(s)/ stakeholder(s) shall be deemed to be communicating in good faith if there is a reasonable basis for communication of Unethical and Improper Practices or any other Alleged Wrongful Conduct. Good faith shall be deemed lacking when the director(s) /stakeholder(s) do not have personal knowledge or a factual basis for the communication or where the director(s) /stakeholder(s) knew or reasonably should have known that the communication about the Unethical and Improper Practices or Alleged Wrongful Conduct is malicious, false or frivolous.

3.13. **Unethical and Improper Practices**

Shall mean —

- a) An act which does not conform to approved standards of social and professional behavior; or
- b) An act which leads to unethical business practices; or
- c) Improper or unethical conduct; or
- d) Breach of etiquette or morally offensive behaviour, etc.

3.14. **“Vigilance & 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.

3.15. **“Whistle blower”** is a Director(s), Officer(s) and Employee(s) of the Company who makes a Protected Disclosure under this Policy and referred in this Policy as Complainant.

INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 read along with the rules and regulations made thereunder or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”). as the case may be or in any amendment thereto. Where any stipulation is common between the applicable Laws, more stringent of them shall be complied with.

4.1. Protected Disclosures

Protected Disclosures are to be made whenever an employee/director/officer becomes aware of a reportable matter. The Protected Disclosure should be made promptly upon the Employee /director/officer becoming aware of the Reportable Matter. Reportable Matter should be made pursuant to the reporting mechanism described in Point no. 4.2 below.

The role of 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.

4.2. Reporting Mechanism

The Protected Disclosure/Complaint should be attached to a letter bearing the identity of the Whistle blower/complaint i.e. his/her Name, Employee Code and Location and should be inserted in an envelope which should be closed/secured/sealed.

Anonymous or pseudonymous Protected Disclosure shall not be entertained.

All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or hand written in a legible handwriting in English or through email

The Protected Disclosures under this Policy shall be super scribed as “Confidential Disclosure under Vigil Mechanism / Whistle Blower Policy” (If the envelope is not super scribed and closed/sealed/secured, it will not be possible to provide protection to the whistle blower as specified under this policy) and addressed by letter address to the Vigilance & Ethics Officer, marked "Private and Confidential" and should be delivered at [•]

Protected Disclosure against the Vigilance and Ethics Officer and Managing Director and in exceptional cases should be addressed to the Chairman of the Audit Committee.

The details are as follows:

- by letter address to the Chairman, marked "Private and Confidential" and should be delivered at [•].

4.3. Reporting Matter:

- It is important for the Company that proper information is provided by the Whistle-blower.
- Although a whistle-blower is not required to furnish any more information than what he/she wishes to disclose, it is essential for the Company to have all critical information in order to enable the Company to effectively evaluate and investigate the complaint. It is difficult for the Company to proceed with an investigation on a complaint which does not contain all the critical information such as the specific charge. The complaint or disclosure must therefore provide as much detail and be as specific as possible, including names and dates, in order to facilitate the investigation.
 - o The director(s)/ stakeholder(s), and /or outside party or parties involved;
 - o The sector of the Company where it happened (division, office);
 - o When did it happen: a date or a period of time;
 - o Type of concern (what happened);
 - o Submit proof or identify where proof can be found, if possible;
 - o Who to contact for more information, if possible;
 - o Other relevant factual ground concerning the reporting matter
 - o Prior efforts to address the problem, if any.

5. Protection of whistle-blower

- 5.1. No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported 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 practices 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.
- 5.2. A Whistle-blower shall make the disclosure without any fear or coercion. Any other employee assisting in the said investigation on furnishing evidence shall also be protected to the same extent as that of Whistle Blowers
- 5.3. A Director(s)/ Employee(s)/Officer(s) who knowingly make false allegations of Unethical and Improper Practices or Reportable Matter to the Vigilance & Ethics Officer or Chairman of Audit Committee shall be subject to disciplinary action, up to and including termination of employment/contract in accordance with Company rules, policies and procedures. Further, this Policy may not be used as a defense by a Director(s)/ Employee(s)/Officer(s) against whom an Adverse Action has been taken independent of any disclosure of information by him and for legitimate reasons or cause under Company rules and policies.

5.4. Any false statement or disclosure made by Whistle-blower and has found to be made deliberately false by whistle-blower shall be subject to disciplinary action, which may lead to dismissal.

5.5. A person making complaint(s)/Protected Disclosure with malafide intentions which have been subsequently found to be frivolous, may be disqualified from making any further protected disclosures under this policy and subjected to strict and disciplinary actions.

6. Role of Vigilance & Ethics Officer

All Protected Disclosures under this Policy will be recorded

Based on the Protected Disclosure made by and relevant facts provided by the whistle-blower, the Vigilance & Ethics Officer shall initiate preliminary enquiry either himself/herself or by involving any other Officer of the Company/ Committee constituted for the same;

If, based on preliminary enquiry, it may appear that the complaint reported may have no basis, or may not be a matter to be pursued under this Policy, it may be dismissed at that stage and the decision shall be documented.

If the preliminary enquiry indicates that further investigation , then Vigilance & Ethics Officer will carry out an investigation either himself/herself or by involving any other Officer of the Company/ Committee constituted for the same before referring the matter to the Board of Directors of the Company.

The Vigilance & Ethics Officer will notify the sender and acknowledge receipt of the reported violation or suspected violation within 7 days.

The investigation shall be completed normally within 90 days of the receipt of the Protected Disclosure and is extendable by such period as the Vigilance & Ethics Officer deems fit.

Any member of the Board of Directors or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.

As an oversight function, an update of all the complaints received and action taken will be provided to Audit Committee and Board on periodic basis by the Vigilance & Ethics Officer;

7. INVESTIGATION

The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.

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.

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

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.

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 Subjects(s).

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 complaint against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.

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.

8. DECISION AND REPORTING

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 they 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.

The Vigilance and Ethics Officer shall submit a report to the Chairman of 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.

9. NON-RETALIATION /RESPONSIBILITY

The directors/ employees(s)/officer(s) under investigation:

- May or may not be informed of the allegations or investigation being carried out, depending on the sensitivity and seriousness of the complaint;
- Holds a duty to co-operate with the Vigilance & Ethics Officer during the course of investigation;
- Shall not withhold, destroy, delete or tamper evidence, in any form;
- Shall be given an opportunity to respond to material findings contained in the investigation report unless there are compelling reasons not to do so;
- System access to the director(s) / employees(s)/officer(s) under suspicion of committing irregularity/ illegality/ impropriety may be discontinued until the investigation/ review of charges against him/ her is completed.
- Any payment of compensation can be kept on hold under suspicion of committing Reportable Matter until the investigation is completed

10. SECRECY/CONFIDENTIALITY

The complainant, Vigilance and Ethics Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:

- a) Maintain confidentiality of all matters under this Policy
- b) Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
- c) Not keep the papers/document/evidence unattended anywhere at any time
- d) Keep the electronic mails / files under password and proper custody.
- e) Not to reveal/disclose to media/press agency and/or to any other person.

Whistle-blower's identity shall be disclosed only in following circumstances:

- a) The person agrees to be identified; and
- b) Identification shall be required by law.

11. 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 years or such other period as specified by any other law in force, whichever is more.

12. 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 Directors, Officers and employees unless the same is notified to them in writing.

13. Disclosure

The Company shall disclose its vigil mechanism and this Policy on its website, on www.austersystems.com