

Policy on non-compliance reports of ROTAIR SPA

Company with sole shareholder - Management and coordination of Elgi Equipments Ltd

Purpose:

To formulate and implement a Policy on reporting non-compliances to protect the interests of the Complainant (Non-compliance whistleblower). A non-compliance whistleblower may report any immoral or improper practice (not necessarily a violation of law) or violation of the Code of Business Conduct or complaints regarding the Company's accounting, auditing, internal controls or disclosure practices. The policy provides a platform for the non-compliance whistleblower to report the above practices to the General Manager or Director (HR) and define the processes for receiving and investigating complaints. While the complaint is not expected to prove the truth of a denunciation, the complainant must demonstrate that he has sufficient cause for concern and that he is not issuing reports as a malicious act against an individual.

Scope:

- a.** This Policy is an extension of the Company's Code of Conduct and applies to all Employees of the Company (including expatriates and relocated personnel), stakeholders of the company including partners, contractors, suppliers, customers, shareholders (collectively referred to as hereinafter 'Non-compliance informer').
- b.** This policy must take effect immediately.

Scope of the Policy:

The Policy covers abuses and events that have taken place suspected to have taken place involving:

- a.** Abuse of power
- b.** Violation of the Code of Conduct / Employee Rules
- c.** Patrimonial infidelity
- d.** Offense with repercussions on the Company or its reputation
- e.** Financial irregularities, including fraud or suspected fraud
- f.** Manipulation of business data / documents
- g.** Misappropriation or misuse of company funds / resources
- h.** Negligence which resulted in injury / loss of life and / or property waste
- i.** Failure to comply with legal requirements
- j.** Disclosure of proprietary / confidential information
- k.** Breach of confidentiality and sharing of proprietary information
- l.** Theft or disclosure of corporate intellectual property rights
- m.** Waste of material / resources, misappropriation of funds
- n.** Any other immoral and imprudent act / behavior

Procedure:

- a.** The Policy on non-compliance reports ('the Policy') must be managed jointly by the General Manager and the Director (HR) of the Company.
- b.** The Company has an assigned email address, whistleombudsman@elgi.com, to which employees can report or send a written complaint for the attention of the Company's General Manager or Director (HR).
- c.** The Non-Conformance Reporting procedure is extended to use for serious and sensitive issues and compliance must be specific, containing sufficient information to allow investigations without the need for direct contact. The complaint must contain:

- i. Nature and facts of the complaint
 - ii. People involved
 - iii. The impact, monetary or otherwise on society
 - iv. Complainant's name, address / workplace.
 - v. Documents and other evidence
- d.** Consistent with the Company's philosophy, the Company expects complainants to enter their names for investigation purposes. Anonymous applications will not be covered by the policy.
- e.** The investigation process may require help from the Internal Audit Manager or any other person. The investigation will be completed within 60 days of receiving the complaint. Within 60 days, the decision on the complaint will be communicated to the Informer of the non-compliance by the HR Director or the General Manager.
- f.** For each complaint, the HR Director or General Manager can set up a small committee to assist them in their investigation.
- g.** Based on their findings, as recommended to the HR Director or General Manager, appropriate actions will be taken.
- h.** Only in exceptional cases, when the complaint itself is against the Director-General or the Director of HR, or when the complainant is not satisfied with the result of the investigation carried out by the Director-General or Director (HR), can he appeal directly to the Chairman of the Audit Committee . The Chairman of the Audit Committee will inform the Complainant of the date, time and place of their meeting. This information will be communicated at least eight days in advance.
- i.** The Committee's resolutions are included in the minutes and documented as part of the final report.
- j.** Each quarter, a summary of all complaints received will be presented to the Audit Committee Chairman.

Confidentiality:

The procedures must be carried out in the utmost confidentiality, impartially and must provide for an in-depth investigation. The Complainant (Non-Compliance Informer), the General Manager and the Director (HR), the Chairman of the Audit Committee and all internal and external stakeholders involved in the process must:

- a.** Maintain maximum confidentiality / secrecy on the subject
- b.** Do not discuss the issue at all social / informal meetings / gatherings
- c.** never leave the documents unattended
- d.** Protect emails / electronic files with a password

Safeguarding the interests of the non-compliance whistleblower:

The Company will not tolerate harassment or victimization and will take the necessary steps to protect the Non-Compliance Whistleblower (Complainant). The Company guarantees any non-compliance whistleblower protection from unfair dismissal or any other disciplinary action or unlawful discrimination or retaliation for reporting non-compliance under this policy. The Company will do its best to protect the identity of the non-compliance whistleblower when filing a complaint.

It should be understood, however, that the investigation process may require intervention by the Non-Conformance Whistleblower as part of the evidence.

False allegations:

The intent of the policy is to bring to light real and serious problems. The allegations not drawn up on reality, but due to a malicious intent, will result in serious consequences and significant disciplinary action against the complainant in question.

Amendments:

This Policy may be amended from time to time by the Board on the basis of the recommendation of the General Manager.