

Honda Siel Power Products Limited: Greater Noida

POLICY ON VIGIL MECHANISM
(BUSINES ETHICS PROPOSAL LINE & BUSINESS ETHICS POLICY)

(2nd amendment dated July 15, 2017)

PURPOSE:

In order to provide an avenue for Vigil Mechanism to our Directors, associates, Customers, Vendors, Dealers to raise concerns ,in line with the commitment of Honda (HSPP) to highest standards of ethical, moral and legal business conduct and its commitment to transparent approach .Hence it is imperative to establish a system which intends to provide opportunity and confidence to Directors, associates / Vendors / Customers / Dealers about their existence and accessibility of a forum for reporting business ethics related concerns.

The Business Ethics Committee (BEC) and Business Ethics Proposal Line (BEPL) provide an opportunity to all Directors, associates / Vendors / Customers to access BEC in good faith, in case they observe a unethical or improper practice in the company.

BUSINESS ETHICS COMMITTEE (BEC):

Constitution of the Business Ethics Committee shall be as under:

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|--|------------|
| - Sr. Vice President & Whole Time Director – Business Management | - Chairman |
| - Sr. Vice President & Whole Time Director – Works | - Member |
| - Sr. Vice President – General Affairs | - Member |

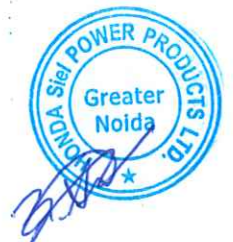
The above mentioned members are responsible for resolution of concerns received through BEPL. The concerns received will be handled and investigated by any two members of the committee

The term of a member of the committee shall be one (1) year. The member may be reappointed after the term. The Proceeding of the meeting of the committee shall be recorded in the minutes.

BUSINESS ETHICS PROPOSAL LINE (BEPL):

The Business ethics Proposal Line is intended to cover concerns that could have an impact on HSPP, Directors, associates / Vendors / Customers / as:

- Incorrect financial reporting. - Gross waste or misappropriate use of funds
- A violation of any law.
- Practices not in line with company policy, including the code of Business Conduct or Ethics.
- Violation of Code of Conduct
- Violation of Honda Philosophy



METHODS OF REPORTING CONCERNS:

Committee shall take measures to ensure that this right of access is communicated to all employees through means of internal circulars etc.

Concerns should be reported as follows:

- Issues can be dropped in BEPL drop boxes
- On e-mail at bepl@hspp.com.
- Head office mailing address for written documents.
- By the Auditee to the Auditor through written/verbal communication

In case of serious violation the complainant may report to HM/ASH Business Ethics Proposal Line as under:

Honda Motor Co., Ltd. Business Ethics Proposal Line

Address: 2-1-1 Minami Aoyama Minato-Ku Tokyo, 107-8556, Japan

E-Mail: proposal@hm.honda.co.jp

Asian Honda Motor Co., Ltd. Business Ethics Proposal Line

Address: 14 Sarasin Building, Surasak road, Silom, Bangkok 10500, Thailand

E-mail: Ash_Ethics_Line@honda.th.com

However, in case of appropriate and exceptional cases, the Director or Employee of the Company may report its concern to:

The Chairman, Audit Committee
Honda Siel Power Products Limited
Plot No 5, Sector 41(Kasna)
Greater Noida Industrial Development Area
Gautam Budh Nagar,
Uttar Pradesh – 201310
e-mail- chairmanauditcommittee@hspp.com

The proposal/complaint shall be made under proposer's real name, provided however, that BEPL shall accept ethics Proposal even when name of Proposer is unknown. (**Proposer** hereinafter, shall mean and include Complainant, Auditee and/or any other person reporting any business ethics related concerns).

PLACES FOR KEEPING BEPL DROP BOXES:

1. Head Office - at Reception
2. Greater Noida Plant – Near Punching Machine
3. At Registered Office



These Boxes will be opened by the BEC when any proposal/complaint is dropped in it. A register of all the complaints received along with date will be maintained for this purpose by HR Department.

INITIAL INQUIRIES BY BUSINESS ETHICS COMMITTEE:

- If initial inquiries by the BEC indicate that the concern has no basis, or it is not a matter to be investigation pursued under this policy, it may be dismissed at this stage and the Page 3 of 4 decision is documented and Committee shall explain BEPL that no action will be taken for the requested case.
- In Case BEPL Judges, as a result of fact verification that improvement is necessary BEPL shall request the appropriate department to improve the situation.
- Where initial inquiries indicate that further investigation is necessary, this will be carried by the BEC and will be assisted by any other officer as nominated by the BEC Committee.
- The investigation would be conducted in a fair manner, as a neutral finding process and without presumptions of guilt. The findings should be based on evidence. A written report of the findings would be made.
- The BEC shall make a detailed written record of the concern. The record will include:
 - ❖ Facts of the Matter
 - ❖ Whether the same concern was raised previously against the same subject
 - ❖ The Financial / otherwise loss which has been incurred would have been incurred by the company ∞ Findings of the committee
 - ❖ The recommendations of the committee

ACTION ON FINDING OF INVESTIGATION & ITS REPORTING:

The committee shall take the action if:

- i) In case the concern is proved, accept the findings of the committee and take such disciplinary action as he may think fit and take preventive measures to avoid recurrence of the matter.
- ii) In case the concern is not proved, extinguish the matter.



- iii) In case of proven false allegations, strict disciplinary action will be taken against the proposer in accordance with company rules. Such proposer will also be barred from reporting any further such misconduct in future.
- iv) BEPL shall record the contents of the improvement proposal, the method of taking action, the results of action and so on.

The findings and report is to be kept confidential

SAFEGUARD TO PROPOSER:

The following safeguard to the proposer will be followed to give them protection from:

- i) Unfair prejudicial employment practices
- ii) Harassment or victimization of complainant will not be allowed
- iii) Assurance to protect the complainants identity
- iv) The identity of any other employee assisting in the said investigation or furnishing evidence shall be kept confidential.

BEPL must not divulge the name of the proposer to other person without the consent of the Proposer.

SECRECY / CONFIDENTIALITY:

The BEC members, and every one involved in the process shall:

- Maintain complete confidentiality / Secrecy of the matter
- Should not discuss matter in any informal / social gatherings / meetings.
- Discuss only to the extent or with the persons required for the purpose of completing the process & investigations
- Keep the electronic mails / files under password.

If anyone is found not complying with the above, he / she shall be held liable for such disciplinary action is considered fit.

Dated : July 15, 2017


(Y. Iida)
President & CEO

