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Whistle Blower Policy
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1.0 Purpose

- 1.1 Adherence to the highest standards of integrity, transparency, fair practice and ethical behaviour are fundamental to our business model
- 1.2 The Company adopts accounting policies and practices in accordance with the applicable accounting standards to present a true and fair picture of the business and financial position. Selection of accounting practices requires interpretation and exercise of judgement which may give rise to differing opinions. Employees are free to raise any issues including financial, reputation, suspected fraud / actual fraud, criminal offences or misuse of office.
- 1.3 The reputation of Toyota Financial Services India Limited (“TFSIN” or the “Company”) depends on all employees fulfilling their responsibilities towards each other, and to customers, their partners in lending business, towards their shareholders, to the market place and to the communities in which they do business.
- 1.4 The Whistle Blower Policy (“the Policy”) has been formulated with a view to provide a mechanism for employees of the Company to approach the Reporting Officer of the Company / Chairman of the Audit Committee of the Company and report violations free from the fear of any discrimination, retaliation or harassment of the Employees are expected to adhere to TFSIN's values and principles and professionally carry out their duties in line with the code of conduct. Disciplinary policy is needed to address intentional or unintentional violation of employee code of conduct.
- 1.5 This policy should be applied in conjunction to other TFSIN policies
- 1.6 This policy will ensure the fulfilment of the following
 - 1.6.1 Provide a structured approach and a consistent course of action pertaining to disciplinary matters which are in violation to the “Code of Conduct”
 - 1.6.2 Create awareness about consequences of acting beyond boundaries of the “Code of Conduct” among employees

2.0 Applicability

- 2.1 This policy applies to all employees & other stakeholders (including business partners and vendors) of the Company. All Employees of the Company are eligible to make Disclosures under the policy. The Disclosures have to be in relation to matters concerning the Company.

3.0 Objectives

- 3.1 To provide an avenue for the employees and other stakeholders to raise concerns about violation of Law, questionable business practices or grave misconduct by the employees of the Company that could lead to financial loss or reputation for the Company.
- 3.2 To provide reassurance of the protection to the whistle blower from reprisals, discrimination, or victimization for having blown the whistle in good faith.

- 3.3 To provide the details of reporting, investigation, and settlement of the incidents
- 3.4 To provide direct access to the Chairman of the Audit Committee, if required

4.0 Definitions

- 4.1 **Whistle Blowing:** Attracting Audit Committee or Top Management's attention to information about potentially illegal and/or unacceptable practice.
- 4.2 **Annual Report** means the report which is required to be placed before the members of the Company annually i.e., Balance Sheet, Profit and Loss Account, Directors' Report, and Auditor's Report and every other document which is required to be annexed or attached or forming part thereof.
- 4.3 **Audit Committee** means a committee which is constituted pursuant to Section 177 of the Companies Act, 2013 and the Guidelines laid down by RBI for Non-Banking Financial Companies.
- 4.4 **Board Report** means a report as defined under Section 134 of the Companies Act, 2013.
- 4.5 **Employee** means a person who is an employee of the Company including Directors, Trainees and including those who are / were on specific assignments with the Company.
- 4.6 **Good faith** means any communication under the policy, if the same is substantiated with proper evidence and there is a reasonable basis for the communication of the existence of waste or of a violation or has observed about unethical or improper practices. "Good faith" is lacking when the employee does not have personal knowledge of a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical or improper practices is malicious or motivated, unsubstantiated or false or frivolous.
- 4.7 **Internal circular** is a communication made on behalf of the Company by an authorized person, which is addressed to the employees of the Company through any mode including but not restricted to email, fax, phone, notice board, inter office memo, etc.
- 4.8 **Disclosure** means any communication made in good faith that demonstrates or discloses information that may evidence unethical or improper activity in the Company or with respect to the Company.
- 4.9 **Right to access or right of Approach:** the right of an employee to give a written report to the Audit Committee for alleged misconduct or unethical or improper practice, which an employee has observed or found in the Company.
- 4.10 **Reporting Officer** means the Compliance Officer of the Company to whom an Employee may report.
- 4.11 **Unfair termination and unfair prejudicial employment actions** means any action that amounts to threaten, or otherwise discriminating or retaliating against an employee in any manner that affects the employee's employment, including compensation, job location rights, immunities, promotions or privileges

- 4.12 **Unethical or improper practices:**
- i. "Unethical practices" refers to acts not conforming with acceptable and/ or approved standards of social or professional behaviour which leads to "unethical business practices" or an action not adhering to ethical, moral and honourable principles.
 - ii. "Improper practices" refers to unethical conduct, breach of etiquette or morally offensive behaviour.
 - iii. Conduct which results in violation of law by the Company.
 - iv. Conduct which results in a substantial mismanagement of Company resources; however, this will not include conduct or actions which were duly authorized and taken in the best interest of the Company.
 - v. Fraud and corruption including any acts to solicit or receive any gift/reward as a bribe
 - vi. Violation of Code of conduct and ethics
 - vii. Misappropriation/unofficial/unlawful use of Company funds/assets for personal gains
 - viii. Non-compliance of Company policies
 - ix. Non-compliance of law
 - x. Manipulation of records
 - xi. Abuse of authority
 - xii. Financial irregularities /fraud /suspected fraud /corruption
 - xiii. Abuse of authority /Gender discrimination /Sexual harassment
- 4.13 **Violation:** an infraction or a breach, which is not necessarily a violation of law, of the Company's policies, Memorandum and Articles of Association, code of conduct designed to protect the interest of employees & the company without jeopardizing interest and growth of the Company.
- 4.14 **Waste:** employee's conduct or omission, which results in substantial abuse, misuse, destruction, or loss of funds, property or manpower belonging to the Company.
- 4.15 **Whistle Blower:** an employee or other stakeholders (including business partners, customers, and vendors) who reveal wrongdoings about any unethical or improper practices carried on by the Company or its employees or its vendors / business partners/ investors/ lenders and communicate it in Good Faith to the Audit Committee in writing.
- 4.16 **Senior Management Personnel:** officers/ personnel of the Company who are members of its core management team excluding Board of Directors. The core management team includes Senior Vice-President, Chief Financial Officer, Chief Risk Officer, Head-Internal Auditor and Company Secretary
- 4.17 **Whistle Blowing Committee:** A committee constituted for conducting investigation and decisions of any whistle Blower. Disciplinary committee and Whistle Blowing committee will be same and both the committee will be of same members.
- 4.18 **Incident:** Any action or suspicious movement by any employee or stakeholders which may directly or indirectly impact TFSIN or its stakeholders

5.0 Policy

This policy is formulated to seek the support of employees and other stakeholders to report any unethical or improper practices in the Company or conduct which may result in violation in the law by the Company or substantial mismanagement of Company resources, and to secure those employees from unfair termination and unfair prejudicial employment actions.

5.1 Guidelines

5.1.1 **Internal Policy:** The Whistle Blower Policy (hereinafter referred as "WBP") is an internal policy designed to enable employees and other stakeholders of the Company to raise concerns internally and at a high level (in specified cases, to Audit Committee) and to disclose information, which the individual believes to be unethical or improper. This policy is intended to deal with concerns which are at least initially to be investigated separately but might then lead to the invocation of other procedures e.g. disciplinary action, legal proceeding, etc. Any complaint/incident pertaining to workplace harassment shall be handled in accordance with Policy on Prevention of Workplace Harassment.

5.1.2 **Obligation of the employee to blow the whistle:**

5.1.2.1 It is important for every employee of the Company to blow the whistle upon coming to know or having knowledge of the happening or occurrence of an incident

5.1.2.2 In the absence of the above by the employee, it may leave scope for being construed as complicity which may render him / her liable for appropriate action by the Company.

5.1.3 **Obligation of stakeholders to blow the whistle:**

5.1.3.1 Any stakeholder, as a matter of policy, are encouraged to blow the whistle if the situation so warrants and to this end in view, a Notice shall be displayed in the Notice Board of every office of the Company.

5.1.4 **Procedure for blowing the whistle:**

5.1.4.1 Any employee who has reason to believe that he / she has become aware of any breach of Law/ Regulatory Directives or Guidelines of the Company's policies, procedures, regulations, guidelines or any questionable business practice or any *grave* misconduct, must immediately report those facts to the following designated Senior Executive of the Company, as Reporting Officer:

Chief Compliance Officer

E-mail Id: cs@tfsin.co.in / complianceofficer@tfsin.co.in

Address: Toyota Financial Services India Limited

No.21, Centropolis, First Floor

5th Cross, Langford Road, Shanti Nagar

Bangalore-560 025

Phone: 080-4344 2800 / 080-4344 2852

- 5.1.4.2 Where any employee has reason to believe or suspect or perceive involvement of Senior Management / Directors / Reporting Officer, he/she as an exceptional case, report such incident to the Chairman of the Audit Committee of the Board as follows:

Name: V Prakash

E-mail id: prakashv61@gmail.com

Address: C/o Company Secretary,
No. 21 Centropolis, First Floor, 5th Cross,
Langford Road, Shanti Nagar,
Bangalore - 560025

Phone: +91-080-43442800

- 5.1.4.3 Where an employee has an interest in the matter that has been complained about, it is his / her duty to declare the same at the outset itself to the Reporting Officer or Chairman of the Audit Committee, as the case may be.
- 5.1.4.4 Whistle blowing could be in written form or verbal. However, it is preferable for the employee to make his/ her report in writing, revealing his/ her identity. It may be noted that revealing of the identity is not a pre-condition for reporting the incidents coming under the purview of these guidelines. Anonymous reporting of incidents would also be considered for investigation, provided such incidents reported are supported by "verifiable facts".
- 5.1.4.5 Where an incident has been reported verbally by the whistle blower, he/ she may send the written report as early as possible together with "verifiable facts", if any.
- 5.1.4.6 Whistle Blowing against MD & CEO/ EVP / CFO must be reported immediately to Toyota Financial Services Corporation, Compliance Team.
- 5.1.5 **Prohibition:** the WBP ensures that the genuine Whistle Blowers are accorded protection from any kind of unfair treatment as herein set out, and any abuse of this protection will warrant disciplinary action.
- 5.1.6 Protection:**
- 5.1.6.1 Would not mean protection from disciplinary action arising out of false, bogus, or unsubstantiated allegations made by a Whistle Blower knowing it to be false or bogus or alleged with a mala fide intention.
- 5.1.6.2 TFSIN is committed to the maintenance of the confidentiality of the matter/ incident that has been reported and the identity of the Whistle Blower before, during and after the investigation, except where it is necessary and essential; for the purposes of conducting such investigations

- 5.1.6.3 TFSIN strictly prohibits any discrimination, retaliation or harassment against any person who reports any incident or any breach of law / Regulatory Directives or Guidelines or the Company's Policies, procedures, regulations, guidelines or any questionable business practice or any grave misconduct including malpractice or fraud and / or who participates in an investigation connected with any such incident.
- 5.1.6.4 If an employee who has blown the whistle or who has participated in the investigation feels / has reason to feel or believe on a later date that he / she is being subjected to discrimination, retaliation, or harassment, he / she must immediately report those facts to the Chairman of the Audit Committee.
- 5.1.6.5 Protection would not be accorded to those employees who make disclosures while being scrutinized under any disciplinary action or those employees who are accused of unethical or improper behaviour during any investigation

5.1.7 Reporting Authority: The Audit Committee shall be the reporting authority under this policy

5.2 Reporting Officer's duties and responsibilities:

- 5.2.1 Familiarise with this policy.
- 5.2.2 Notify reporting employees of their protections and obligations under the WBP of the Company.
- 5.2.3 Forward the report received from the whistle blower to the Whistle Blowing Committee within 48 hours of receipt of the same.
- 5.2.4 Rights of Complainants:
 - 5.2.4.1 When reporting in good faith any violation or unethical or improper practices as defined in this policy, it is advisable to communicate in writing along with all necessary evidence. The reporting may relate to the following:
 - 5.2.4.1.1 Mismanagement of Company's funds property of manpower
 - 5.2.4.1.2 A deliberate violation of any accounting principles, polices, and regulations, reporting of fraudulent financial information to the shareholders, the government or the financial markets or any conduct that results in violation of law, legal duties, code of conduct or code of ethics designed to protect the interest of the Company and its employees. However,

this should not be merely of technical or minimal nature

5.2.4.1.3 Financial / Accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation and for matters like those concerning other employees & other matters should be addressed to the Whistle Blowing Committee of the Company

5.2.4.1.4 The Whistle Blower's role is that of a reporting party providing reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case

5.2.4.1.5 Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Whistle Blowing Committee or the Chairman of the Audit Committee

5.3 Whistle Blowing Committee:

The Disciplinary committee constituted under the Disciplinary policy shall also function as Whistle Blowing Committee and shall be responsible for:

- 5.3.1 Conduct the enquire in a fair and unbiased manner
- 5.3.2 The WB Committee shall register a complaint only after it is satisfied that disclosure made under the WBP deserves to be probed further. The WBC Committee may ask for significant evidence while registering the complaints. Ensure complete fact-finding
- 5.3.3 Maintain strict confidentiality, especially of the whistle blower's identity
- 5.3.4 Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom
- 5.3.5 Recommend an appropriate course of action – suggested disciplinary action, including dismissal, and preventive measures
- 5.3.6 Record committee deliberations and document the final report
- 5.3.7 Submission of report to ACB on a quarterly basis and conclusion of the Whistle Blowers
- 5.3.8 The Whistle Blowing & Disciplinary committee will have the following members:
 - 5.3.8.1 MD & CEO (Chairman)
 - 5.3.8.2 Executive Vice President
 - 5.3.8.3 Head – HR & Admin (Vice Chairman)

- 5.3.8.4 Reporting Officer (Compliance Officer) shall perform as Secretary to Whistle Blowing Committee
- 5.3.9 Procedure for investigation and reporting by Whistle Blowing Committee:
 - 5.3.9.1 Reporting Officer will have to share the whistle blowing information to the Whistle Blower Committee within two working days for their further investigation and actions
 - 5.3.9.2 Discussion and investigation have to be done jointly by the Compliance officer and Whistle Blowing Committee
 - 5.3.9.3 First cut investigation update shall be shared by the Reporting Officer to the Audit committee withing seven (7) working days
 - 5.3.9.4 All proceedings, actions and outcome of investigation must be recorded and share with the Audit Committee
 - 5.3.9.5 Any whistle blowing against the Reporting officer /Senior Management / Directors will be directed to the Audit committee and investigation will be done by the Audit committee with the support from Reporting Officer / WB Committee/ any other person
- 5.4 Essential factors that may be considered while determining the alleged assertion as 'substantial'.
 - 5.4.1 Accuracy of the information furnished
 - 5.4.2 Has the allegation been substantiated reasonably
 - 5.4.3 Prima face violation made out to a reasonable extent
 - 5.4.4 Nature and quality of evidence
 - 5.4.5 Existence of relevant laws and rules
 - 5.4.6 Whether the action appears to be isolated systematic
 - 5.4.7 History of previous assertions regarding the same subject or subject matter
 - 5.4.8 What are the avenues available for addressing the matter
 - 5.4.9 Seriousness or significance of the asserted action
 - 5.4.10 Cost and benefit potential investigation and
 - 5.4.11 Audit committee is also responsible for
 - 5.4.11.1 Addressing and investigating the complaints against [1] Reporting Manager [2] Senior Management / Directors
 - 5.4.11.2 Analyzing the quarterly WB report submitted by Reporting officer and advising to Senior Management
- 5.5 Determination of Complaints: The Whistle Blower Committee/ Audit Committee, as the case may be, shall determine the nature of complaints keeping in view the requirements of RBI circulars and for determining the appropriate course of action
 - 5.5.1 The Complaints may be determined in two broad categories
 - 5.5.2 Reporting an unethical or improper practice
 - 5.5.3 Any wrongful action taken by the management against the employee who has

- approached the Audit Committee
- 5.5.4 action taken by the Management against the employee who as approached the Audit Committee
- 5.5.5 To enable the Audit committee to perform its action under this Policy, it may take the assistance of any Senior Employee or any external person at its discretion. The Audit Committee or the authority assigned by the Committee; shall appropriately and expeditiously investigate all Whistle Blower reports received internally, investigating the merits of the assertion, and determining necessary course of action
- 5.5.6 Further, the Chairman and / or the Committee or the assigned authority, as the case may be, shall have the authority to call for any information/documents and such examination of any employee etc. for determining the correctness of the complaints
- 5.5.7 Objectivity and independence: to be objective, thorough and independent of influence in conducting interviews and/or review of relevant documents associated with whistle blower reports.
- 5.5.8 Maintenance of confidentiality: maintain confidentiality of the whistle blower and witnesses who provide information, as appropriate.
- 5.5.9 Referral to committee or officials: make referrals to appropriate committee or officials on discovery of reasonable cause to believe that the Company's policy, regulation etc. have been violated, and follow up until appropriate corrective action has been taken
- 5.5.10 Time frame for redressal of complaints: Audit Committee shall complete all the formalities and shall resolve the matter within reasonable time from the date of filing of the complaints

5.6 **Actions prohibited by the Whistle Blower Policy:**

The Company shall not:

- 5.6.1 Threaten, discriminate, or retaliate against an employee in any manner that affects the employee's employment (i.e., compensation, job location, rights, immunities, promotions, or privileges) when an employee engages in an activity protected by the policy.
- 5.6.2 Adverse action against an employee who participates or gives information in an investigation or hearing or in any form of inquiry initiated by the Audit Committee.

5.7 **Course of action available to the employees:**

- 5.7.1 An employee who alleges adverse action (whistle blower) under the WBP may approach the Audit Committee for appropriate relief within 3 months, if any action is taken against the employee in violation of the policy:
 - 5.7.1.1 The employee has the burden of proof in establishing that he or she has suffered an adverse action for an activity protected under the WBP
 - 5.7.1.2 The Whistle Blower Committee of the Company shall have an affirmative defense if it can establish by a preponderance of evidence that the adverse action taken against the employee was due to the employee's misconduct, poor job performance, or a reduction of workforce unrelated to a communication made pursuant to the WBP
- 5.7.2 **Remedies:** The Audit Committee rendering judgment under the WBP may order any

or all of the following remedies:

- 5.7.2.1 Order an injunction to restrain continued violation of the provisions of the WBP
- 5.7.2.2 Reinstatement of the employee to the same position or to an equivalent position.
- 5.7.2.3 Reinstatement of full fringe benefits and retirement service credit
- 5.7.2.4 Order compensation for lost wages, benefits and any other remuneration.

5.8 Annual affirmation of the compliance of Whistle Blower Policy:

The Company shall annually affirm that it has not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and that it has provided protection to "Whistle Blowers" from unfair termination and other unfair prejudicial employment practices.

5.9 Employees' obligation to report the incidents first to the Company before reporting to any external agency:

Every employee is required to report any incident as above first to the Company before reporting to any external agency such as Regulator, Police etc. since it is the responsibility of the Company to check the veracity and authenticity of such complaints and ensure that correct information is provided to such agencies/ authorities.

5.10 DOs and DON'Ts:

5.10.1 DOs

- 5.10.1.1 Report any unethical or improper practices (Not necessarily a violation of law) in the Company
- 5.10.1.2 Report within the time stipulated in the Policy
- 5.10.1.3 Report with full and complete details along with evidence if any; based on best information available with the whistle Blower
- 5.10.1.4 In making a disclosure the employee should exercise due care to ensure the accuracy of the information
- 5.10.1.5 Employee to put his / her name to any disclosures he / she makes (Enables the Company to provide protection to the Whistle blower / complainant)

5.10.2 DONTs

- 5.10.2.1 Do not act on your own in conducting any investigative activities, nor do you have a right to participate in any investigative activities other than as requested by the Reporting Officer or Chairman of the Audit Committee
- 5.10.2.2 Do not abuse protection provided under this policy, which may attract disciplinary action
- 5.10.2.3 Do not make public the Report except with the prior written permission of the Audit Committee. However, this restriction shall not be applicable if any employee is called upon to disclose this issue by any judicial process and in accordance with the laws of land.

5.11 Retention of Records:

- 5.11.1 Maintenance of Register of Complaints: Reporting officer who will function as Secretary to WBC shall maintain a register for registration of Whistle Blower's Reports.
- 5.11.2 Maintenance of All documents relating to the complaint/ reporting of the incident

and investigation shall be retained by Reporting office (Compliance Officer)
5.11.3 The registers shall be maintained for a period of 8 years

5.12 **Amendment of Whistle Blower Policy:** The Board shall alter, amend or modify the clauses of the Whistle Blower Policy from time to time

6.0 References

- 6.01 TFSIN – Employee code of conduct
- 6.02 TFSIN – HR policies
- 6.03 TFSIN – Information technology policies
- 6.04 TFSIN – Anti-Bribery policy
- 6.05 TFSIN – Fraud Risk Management policy