

Whistle Blowing Policy

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1. Area of application

This regulation applies to:

- All employees of the Volkswagen Finance Private Limited, permanent as well as contractual
- Directors of Volkswagen Finance Private Limited
- Business Partner or their employees who wish to report any complaint relating to their operations with VWFPL,
- VW Financial Services A.G. and its Subsidiaries

2. Basis

Basis of this regulation are

- Companies Act, 2013 and Rules framed thereunder
- I-OHB-regulation "Whistle Blower System"

3. Purpose

Integrity and compliance with statutory and other requirements are top priorities for the Volkswagen Group. They lay the foundation of a good reputation for the Group and its brands, for the trust of its customers, the wellbeing of its employees as well as of sustainable economic success, which should not be undermined by the risk of significant financial losses from fines, disgorgement and liability for damages, or criminal prosecution.

For achieving this and for preventing non-compliance, identifying violations as soon as possible, taking corrective action and, where appropriate, imposing sanctions, the establishment of a corporate culture based on integrity and regular training on compliance with laws and regulations, as well as vigilance by all employees is required. For this purpose, their willingness to report potential irregularities and violations is essential.

In this entire context, Whistleblowers must be protected against discrimination and retaliation. It is also important to ensure that the persons implicated in the suspected wrongdoing are given a fair hearing in the clarification of the issue and are always presumed innocent until proven otherwise.

This regulation contains minimum standards such as general codes of practice for implementing, creating and executing whistleblower systems in the Volkswagen Finance Private Limited (VWFPL) and sets out the competencies, responsibilities and cooperation requirements to be established within the VWFPL.

4. Terms and definitions

Whistleblower cases are the information and suspicions brought to the attention of VWFPL by whistleblowers that flag potential statutory or internal violation of regulations. This information is received by the Investigation Office or the corresponding contact points.

Unsubstantiated information means that the report only contains random allegations or suspicion of a statutory or internal violation of regulations without any concrete facts that can be used to initiate investigative measures.

Substantiated information is the suspicion of statutory or internal violation of regulations based on actual concrete evidence.

Plausibility is the check to determine whether the situation described in the report is actually possible.

Violations are all statutory and internal violation of regulations by employees of the VWFPL and its Group companies committed in connection with, or based on, their employment by the Volkswagen Group and its Group companies.

Serious violations within the meaning of this policy include in particular:

- violations of human rights, accounting standards, anti-corruption provisions, fraud and breach of trust provisions, competition and anti-trust law provisions, money laundering regulations, property offenses with more than slight damages, tax regulations, product compliance and product safety regulations, environmental protection regulations as well as serious or persistent violations of privacy and occupational health and safety provisions,
- violations by senior management,
- violations of regulations prohibiting the discrimination of whistleblowers,
- deliberate violations by superiors of regulations prohibiting discrimination and bullying,
- violations with potential damages for the Volkswagen Group exceeding EUR 100,000,
- violations with the risk of severe reputational damage to the Volkswagen Group or one of its brands.

A **minor violation** is any violation not considered a serious violation. Grievances relating to routine or operational matters are out of the scope of this policy unless breach of internal policy or prevalent law is the reason behind it. Examples of out of scope grievances are customer/investor complaints, improper/inappropriate administration facilities, malfunctioning of IT Assets, compensation related issues, vendor payment and taxation related queries, recruitment/job openings, questioning of financial and other business decisions taken by management, internal complaints/non co-operation issues with dealers/business partners.

Categorization is the classification of a suspected statutory or internal violation of regulations in a report as a serious or minor violation.

An **investigation** is the internal clarification of potential compliance violations by employees of the VW FS conducted by the relevant investigating unit.

A **local office** is a set up at the local company/subsidiary to collect and pre-handle the internal incoming whistleblowing cases. The local office should be located at Compliance and is responsible for all companies of the responsibility of the Compliance officer.

Contact point, as defined in this policy, is the office established where whistleblower cases are handled. The contact point for the brand of VW FS is established at Compliance in Headquarters (Compliance HQ).

The **Audit Committee** means Audit Committee as defined in section 177 of the Companies Act, 2013 read with relevant Rules framed thereunder.

The **local Disciplinary Committee** consists of Members of the Audit Committee, Managing Directors (Back Office and Front Office), Head of the Internal Audit, Compliance, Legal affairs, Risk and HR. They are supposed to monitor the whistle blower system and liaise with Audit Committee, contact point and investigation office in HQ and if needed, external experts.

The **local Investigation Committee** is the Committee formed after receipt of violation at VWFPL to conduct preliminary enquiry or further investigation on the whistle blower case. They are supposed to assist the Disciplinary Committee and its composition would be decided by Disciplinary Committee based on the nature of violation.

The **Investigation Office** is set up at Volkswagen AG within the division Governance, Risk & Compliance (K-IO) at Group level, referred to in this policy as Group GRC. It is, as defined in this policy, responsible for incoming whistleblower cases and for processing these, as well as for cooperation with the appointed ombudspersons and the contact point at VW FS.

The **Investigation Committee** is set up at VW FS HQ and consists of members of the Internal Audit, Compliance and legal affairs. They are supposed to set up in case of doubts concerning the handling of whistleblower cases.

The **Disciplinary Committee** consists of members of the Internal Audit, Compliance, Legal affairs and HR. They are supposed to set up in case of doubts concerning the result of whistleblower cases in terms of labor law related consequences.

5. Reporting of whistleblower cases

Every employee is under the obligation to obtain advice and assistance if any legitimate grounds for suspicion or legal doubts arise concerning the possibility of potential Compliance issues referred to members (employees and managers) of any VW FS company. It makes no difference whether the suspicion relates to the employee himself or herself, or to their behavior, or arises from their working environment.

Every employee is obliged to submit whistleblower cases immediately through one of the channels set forth. Third parties dealing with the Company may also utilize this channel to report violations as defined in this policy.

5.1 Reporting to internal units

Internally (within the area of the VWFPL) the employee has the opportunity to report potential violations to the following units:

- Any or immediate superior
- Internal Audit
- Compliance
- HR
- Anti-Corruption Officer

The person to whom the whistleblower case is being addressed has to forward it to the *Local Office*.

5.2 Local whistleblowing system

VWFPL has partnered with KPMG Advisory Services Private Limited (“ombudsman agency”) to ensure that genuine concerns about breach of law or internal policies are reported without fear by employees and business partners.

Any employee or business partner, who wishes to report a concern, may use any of the following channels:

Helpline – 1800 3010 6200

Email – vwfpl@ethicshelpline.in

Website – www.in.kpmg.com/ethicshelpline/

Fax – Dial 1800 3010 6200 and select option 2 on IVR

Post Box – P.O. Box No 71, DLF Phase 1, Qutub Enclave, Gurgaon – 122002, Haryana.

5.3 Confidentiality

All complaints received will be kept confidential and will be shared strictly on a „need to know“ basis

The whistle blower, the defendant, Disciplinary committee members, investigators, third parties, its employees and everyone involved in the process shall:

- Maintain complete confidentiality of the matter
- Discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- Not keep the documents/evidences pertaining to the investigation unattended anywhere at any time
- Keep electronic mails/files under password protection

Whistle blower“s identity will be disclosed only in following circumstances:

- The person agrees to be identified
- Identification is necessary to allow VWFPL or law enforcement officials to investigate or respond effectively
- Identification is required by law

5.4 Protection of Whistle Blower

If a person raises a concern under this Policy, he or she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance Employee will not be at the risk of losing her/his job or suffer loss in any other manner like 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, as a result of reporting under this policy

The protection is available provided that:

- The communication/ disclosure is made in good faith;
- Employee reasonably believes that information and any allegations contained in it, are substantially true; and
- Employee is not acting for personal gain

5.5 Reporting to Volkswagen Group Ombudsman system

The Ombudsmen act as contact point for whistleblowers that like to remain anonymous for reasons of self-protection. Therefore VW FS Group has implemented a process – in accordance with Section 25a paragraph 1 KWG (German Banking Act) – which enables employees to report breaches of laws as well as criminal offences within the Group to adequate positions keeping the identity of the whistle-blower undisclosed.

Volkswagen Group and VW FS Group have appointed two external lawyers as ombudsmen:

Dr. Rainer Buchert

Tel. +49 (0) 69 71 03 33 30 and +49 (0) 61 05 92 13 55;

Fax: +49 (0) 69 71 03 44 44;

email: dr-buchert@dr-buchert.de

and

Thomas Rohrbach
Tel. +49 (0) 69 65 30 03 56;
Fax: +49 (0) 69 65 00 95 23;
email: rohrbach@ra-rohrbach.de

Contact in other languages: Tel. +49 (0) 69 65 30 04 90

Website: www.Ombudsmen-of-volkswagen.com

The appointed ombudspersons are obliged to maintain professional confidentiality.

The Ombudsmen are responsible for accepting reports of potential statutory or internal violation of regulations in the Group, reviewing these with respect to plausibility and substantiality, consulting with the whistleblower and forwarding every report to the *Investigation Office* for further processing.

The *Investigation Office* forwards the VW FS related whistleblower cases to the *Contact Point* (VW FS HQ Compliance) for further handling.

6. Handling of whistleblower cases

6.1 Whistle Blowing mechanism

6.1.1 How the mechanism work

In order to maintain highest level of confidentiality, the Company has appointed an ombudsman agency to operate the whistle blowing mechanism

After a whistle blower case is received, it will be filtered by the ombudsman agency to identify the category to which it belongs and will be then forwarded to the local Disiplinary Committee, to initiate further action. Each of the whistle blower cases should also be necessarily forwarded to contact point in HQ.

The Disciplinary Committee shall consist of following members:

- Members of the Audit Committee
- Managing Directors (Back office and Front office)
- Head of Internal Audit
- Head of Human Resource
- Head of Legal
- Head of Compliance
- Head of Risk Management

Based on the facts provided by the whistle blower and guidelines provided in „whistle blower response plan“, the Disciplinary committee will initiate preliminary enquiry, for this purpose, the Disciplinary committee may form a local Investigation committee to make a preliminary enquiry or

further investigation. Based on the nature of complaint, Disciplinary committee shall nominate the employees/external investigators on local Investigation committee.

Attempt will be made to take immediate action against the cases received, subject to the prevailing circumstances

Whistle Blower will be provided with a reference number for his case. He/she can use it for future reference to know the status of his complaint and actions taken from the ombudsman agency.

A report on whistle blowing cases and update on action taken shall be presented in the next Audit Committee Meeting.

6.1.2 local office

VWFPL has established compliance department as *Local Office in terms of IOHB Whistle blower system*. The *Local Office* collects all whistleblower cases received within the sphere of the VWFPL and acts as an intermediate between the VWFPL and Headquarter.

6.1.3 Categorization

The *Local Office* classifies the whistleblower case as a *Serious Violation* or a *Minor Violation* by obeying the 4-eyes-principle.

Whistleblower cases with a potential **Serious Violation** have to be reported to the Contact Point at HQ Compliance (via e-mail: investigation@vwfs.com) immediately. The correspondence must be in English or German language. The *Local Office* hereby has to check against existing local data protection laws whether the information provided in the whistleblower case is allowed to be forwarded to the contact point at HQ Compliance for further handling. Local restrictions that hinder the data transfer have to be cleared with HQ Compliance.

Minor violations or such cases which apply to other complaints (e.g. consumer complaints) do not have to be reported.

6.1.4 Dealing with minor violations

Whistleblower cases that are considered as Minor Violations are to be handled locally as per point no. 6.1.1. The *Local Office* or the Compliance Officer is in charge of coordinating any further action.

VWFPL shall document such whistleblower cases including the results.

6.2 Duties of the Headquarters

6.2.1 Dealing with potential serious violations

In addition to action taken by local Disciplinary Committee, the *Contact Point* (at HQ) will proceed with the whistleblower cases which are classified as a *Serious Violation*.

The following steps will be performed by the *Contact Point* in conjunction with the HQ Internal Audit:

- Firstly it is to be checked whether the situation described in the report is actually possible (*Plausibility*) and whether the suspicion is based on actual concrete evidence that can be used in an investigation (*Substantiality*). In case of queries they might contact the *Local Office* or - if possible and reasonable - the whistleblower for clarification.
- In the second step the whistleblower case will be reviewed in terms of the initial *Categorization*.

In case of a disagreement between *Contact Point* and Internal Audit the HQ *Investigation Committee* will meet for a final decision.

If the whistleblower case is not considered as a potential *Serious Violation*, the whistleblower case will be returned to the *Local Office* for further handling (see chapter “Dealing with *Minor Violations*”).

Whistleblower cases with a potential *Serious Violation* will be investigated. They have to be reported to the *Investigation Office* at Volkswagen Group Compliance for reporting purposes. The *Contact Point* therefore uses a database provided by Volkswagen.

6.2.2 Investigation

In case the whistleblower case is considered plausible and substantiated and considered as a *Serious Violation*, Internal Audit will initiate an investigation. It may ask the local Internal Audit for specific support and subcontract tasks to its own decentralized functions.

After completing the investigation, Internal Audit issues a written investigation report with a detailed description of its findings and results of the investigation justifying whether the suspicion was confirmed or not.

6.2.3 Results of the investigation

Internal Audit hands over the investigation report to the *Contact Point* immediately. If the *Contact Point* does not agree with the outcome or whether additional investigations appear necessary, the whistleblower case must be forwarded to the *Investigation Committee*, which will then decide on the further course of action.

The result of the investigation will be documented in the database by the *Contact Point*.

Following the final assessment of a whistleblower case (confirmation or non-confirmation of suspicion), the Contact Point initiates that the Audit Committee of VWFPL will be informed of the result. Contact Point shall co-operate with Audit Committee for any information/report on investigation that may be sought in this regard.

6.2.4 Disciplinary consequences

If a suspicion has become hardened or if it has been confirmed that there is a breach of a rule committed by an employee the *Disciplinary Committee* meets as soon as possible.

By considering all relevant circumstances to be taken into account with respect to the person implicated, the *Disciplinary Committee* issues a recommendation (incl. a recommendation regarding a possible complaint against the employee) for the whistleblower case. The recommendation must be justified in writing. They must be forwarded immediately to the Members of the Audit Committee of VWFPL and management of the human resources department at HQ level responsible for further action, in particular for discussing possible measures with the VWFPL.

The *Contact Point* is to be informed about the implementation of a recommendation by the Audit Committee. By adding the decisions to the documentation on the whistleblower case the *Contact Point* will close the case documentation.

6.2.5 Exceptions from handling

Whistleblower cases that implicate any member of Disciplinary Committee/Audit Committee will be sent without delay to other members of Disciplinary Committee/Audit Committee. The member of the Disciplinary committee/Audit committee shall recuse himself/herself from proceedings of the Disciplinary committee and provide full co-operation for Investigations.

Whistleblower cases that implicate managing directors of VWFPL will be sent without delay to the members of the Audit Committee except the Managing Director who has been implicated and the Chairman of the Board of Management of Volkswagen Financial Services AG,. The member of the Board of Management at Volkswagen AG with responsibility for Integrity and Legal Affairs will be informed immediately, provided they are not personally implicated in the report.

Whistleblower cases that implicate employees of subsidiaries of Volkswagen Group in countries other than India will be out of the purview of local Disciplinary committee. It shall be sent without delay to Contact Point in HQ.

Whistleblower cases that implicate members of the board of Volkswagen Financial Services AG will be sent without delay to the Chairman of the Supervisory Board of Volkswagen Financial

Services AG, who will decide on how to proceed. The Chairman of the Board of Management of Volkswagen Financial Services AG and the member of the Board of Management at Volkswagen AG with responsibility for Integrity and Legal Affairs will be informed immediately, provided they are not personally implicated in the report.

Whistleblower cases that implicate members of the Supervisory Board of Volkswagen Financial Services AG will be sent without delay to the Chairman of the Board of Management of Volkswagen Financial Services AG, who will decide on how to proceed. The member of the Board of Management of Volkswagen AG with responsibility for Integrity and Legal Matters will be informed immediately.

7. Procedural principles and safeguards

For the whistleblower system of the VW FS group and the proceeding of handling the whistleblower cases described above there are fixed procedural principles and safeguards.

The following procedural principles and safeguards apply.

7.1 Procedural Fairness

The principle of procedural fairness applies. This means that only information acquired legally may be used for investigation purposes, or if it's wrongful acquisition was subsequently remedied. Whistleblower protection must be ensured. The persons implicated in the suspected wrongdoing must be treated fairly and with respect.

7.2 Whistleblower protection

Whistleblowers must be protected. Their identity will not be published, if so desired and legally permissible. Anonymous reports must also be reviewed. Discrimination or harassment of whistleblowers or retaliation against them will not be tolerated and sanctions will be imposed under employment law. If a whistleblower reports any such complaints to the *Investigation Office* or a *Contact Point*, they must be provided with immediate support. Whistleblowers who are proven to have intentionally placed persons under false suspicion will be penalized under employment law and, where applicable, criminal law.

7.3 Principle of legality and timely investigation

The *Investigation Office* and the *Contact Points* must document and review all reports received. Substantiated information must be investigated without delay.

7.4 Reasonableness

Investigations must remain within the scope of the brief and the suspicions documented in them. Random investigations are not permitted. Investigative measures must observe the principle of reasonableness, i.e. they must be suitable, necessary and appropriate to satisfy the purpose of the investigation.

7.5 Presumption of innocence

Investigations must be conducted in a neutral and objective manner in accordance with the presumption of innocence. Just like evidence incriminating an implicated individual, potentially exonerating evidence must also be examined.

7.6 Confidentiality and secrecy

The employees responsible for handling and investigating the reports must treat the information obtained in this connection as confidential and may not disclose it to other parties. This applies in particular to personal data. They may only inform other persons on a strictly need-to-know basis.

7.7 Right to be heard, informing the persons implicated and the whistleblower

The principle of a right to be heard applies. Persons implicated and whistleblowers will be informed in accordance with this principle.

Those implicated are informed of any investigation against them as soon as possible without jeopardizing the purpose of the investigation. The persons implicated must be given the opportunity to comment on the suspected wrongdoing. Statements by the person(s) implicated must be included and taken into account in the investigation report drawn up by the investigating units as well as in the legal assessment by the *Investigation Office* and/or the *Contact Points*. Following the final assessment of a whistleblower case, the person(s) implicated must be informed of the result in writing, provided that this does not jeopardize the purpose of the investigation and there are no other objective reasons for not communicating this.

Confirmation of receipt of their report must be issued to whistleblowers. They are to be informed that their report was reviewed and that investigative measures were initiated as appropriate.

7.8 Right to counsel

Persons implicated have the right to be advised by a member of the works council or a legal counsel of their choosing and to be accompanied in interviews. This does not affect the right of the company to set a timeline for the investigation. Any costs of external legal counsel are as a matter of principle to be borne by the persons implicated.

7.9 Rehabilitation

If it becomes apparent that individual persons implicated were wrongly suspected of a statutory or internal violation of regulations, they must be – if so desired – given suitable and appropriate support in clarifying this in their working environment so that they do not suffer reputational damage.

7.10 Applicable law and data protection

The applicable legislation, the internal Group policies and, in particular, data protection law must be observed in the organization of the whistleblower system and when processing whistleblower cases.

8. Modification of Policy

Any amendment to this policy shall be approved by the Audit Committee and shall be disseminated to the employees and noted by the Board of Directors.

9. Controls in regard to internal control system (ICS)

- There are no controls with 4-eye-principal associated with this I-OHB-document.
- Controls with 4-eye-principal related to this I-OHB regulation are not described within this document. Controls are documented in separate file/stored in: