

VIGIL MECHANISM POLICY

I. INTRODUCTION

Wolkem India Limited (WOLKEM) believes in promoting a fair, transparent, ethical and professional work environment. While the code of conduct defines the expectations from employees in terms of their integrity and professional conduct, the vigil mechanism defines the mechanism for reporting deviations from the standards defined in the code.

The Vigil mechanism is implemented not only as a safeguard to unethical practices. This mechanism is intended to provide mechanism for reporting genuine concerns or grievance and ensure that deviations from the Company's Business Conduct Manual and Values are dealt with in a fair and unbiased manner as provided in Section 177 (9) and (10) of the Companies Act, 2013 and the Companies Rules, 2014.

II. DEFINITIONS

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

- (i) **Protected disclosure:** Any communication made in good faith that discloses or demonstrates evidence of any fraud or unethical activity within the company.
- (ii) **Whistleblower:** An individual who makes a protected disclosure under this mechanism. This could be an Employee, Director, Vendor, Supplier, Dealer and Consultant, including Auditors and Advocates if any of WOLKEM.
- (iii) **Audit Committee:** An audit committee is an operating committee formed by the Board of Directors in accordance with Section 177 of the Companies Act 2013 and charged with oversight of financial reporting and disclosure.
- (iv) **Board of Directors:** A body of elected or appointed members who jointly oversee the activities of the company.
- (v) **Subject:** means a person against whom, or in relation to whom a Protected Disclosure is made.

III. PRINCIPLES OF THE VIGIL MECHANISM

To ensure effective implementation of vigil mechanism, the company shall:



- a. Ensure protection of the whistleblower against victimization for the disclosures made by him/her.
- b. Ensure complete confidentiality of the whistleblower identity and the information provided by him/her.
- c. Ensure that the protected disclosure is acted upon within specified timeframes and no evidence is concealed or destroyed.
- d. Ensure that the investigation is conducted honestly, neutrally and in an unbiased manner.
- e. Ensure whistleblower would not get involved in conducting any investigative activities other than as instructed or requested.
- f. Ensure the subject or other involved persons in relation with the protected disclosure be given an opportunity to be heard.
- g. Ensure disciplinary actions are taken against anyone who conceals or destroys evidences related to protected disclosures made under this mechanism.

IV. PROTECTION FOR WHISTLEBLOWER

- a) A whistleblower would be given the option to keep his/ her identity anonymous while reporting an incident. The company will make no attempt to discover the identity of an anonymous whistleblower. If the whistleblower's identity becomes known during the course of the investigation. Wolkem will ensure that the identity of the whistleblower will be kept anonymous and confidential to the extent possible, unless required by law or in legal proceedings.
- b) A whistleblower reporting issues related to sexual harassment, child labour, discrimination, violation of human rights would necessarily need to disclose their identity to enable effective investigation.
- c) Any other employee serving as witness or assisting in the said investigation would also be protected to the same extent as the whistleblower.
- d) The Audit Committee would safeguard the whistleblower from any adverse action. This includes discrimination, victimization, retaliation, demotion or adoption of any unfair employment practices.
- e) Protection under this mechanism would not mean protection from disciplinary action arising out of false allegations made by a whistleblower.
- f) A whistleblower may not be granted protection under this mechanism if he/she is subject of a separate complaint or allegations related to any misconduct.



- g) If a complainant believes that she or he has been treated adversely as a consequence of their use of the vigil mechanism can approach the Audit Committee WOLKEM in confidence.

V. COVERAGE OF THE VIGIL MECHANISM

All employees, directors, vendors, suppliers, dealers and consultants, including auditors and advocates who are associated with WOLKEM can raise concerns regarding malpractices and events which may negatively impact the company.

1. Inaccuracy in maintaining the Company's books of account and financial records
2. Financial misappropriation and fraud
3. Procurement fraud
4. Conflict of interest
5. False expense reimbursements
6. Misuse of company assets & resources
7. Inappropriate sharing of company sensitive information
8. Corruption & bribery
9. Insider trading
10. Unfair trade practices & anti-competitive behaviour
11. Non-adherence to safety guidelines
12. Sexual harassment
13. Child labour
14. Discrimination in any form
15. Violation of human rights

The matters not covered under this mechanism can be reported directly to the Human Resources Managers.

VI. REPORTING MECHANISM

The whistleblowers are expected to speak up and bring forward the concerns or complaints about issues listed under "Coverage of the vigil mechanism". The reporting shall be managed by an Audit Committee.

Any member of the Audit Committee, to investigate any complaint who may have a perceived conflict will recuse themselves from further discussions or meetings on the subject. Complainants may also directly report concerns to any of the Audit Committee members as stated under this policy.

Directors may report their concerns or complaints to Audit Committee directly. In addition, under exceptional circumstances where a complainant wants to complain directly to the Audit Committee, he or she may do so at the email addresses.



For any complaints made to the Chairman directly, it is mandatory for the complainant to disclose their identity and provide their contact information.

The Audit Committee may choose to discuss the matter with the complainant prior to initiating any review or investigation.

VII. MAINTAINING SECRECY AND CONFIDENTIALITY

WOLKEM expects individuals involved in the review or investigation to maintain complete Confidentiality. Disciplinary action may be initiated against anyone found not complying with the below:

- a) Maintain complete confidentiality and secrecy of the matter.
- b) The matter should not be discussed in social gatherings or with individuals who are not involved in the review or investigation of the matter.
- c) The matter should only be discussed only to the extent or with the persons required for the purpose of completing the investigation.
- d) Ensure confidentiality of documents reviewed during the investigation should be maintained.
- e) Ensure secrecy of the whistleblower, subject, protected disclosure, investigation team and witnesses assisting in the investigation should be maintained, if any.

VIII. MANAGEMENT DECISION

- a. Relevant Audit committee will take disciplinary or corrective action against the Subject as per the Company's disciplinary procedures and can also take legal action, if required.
- b. The decision of relevant board committee should be considered as final and no challenge against the decision would be entertained, unless additional information becomes available.
- c. In case of frivolous or false complaints, action may be taken against the complainant.

IX. RIGHT TO AMENDMENT

The Company holds the right to amend or modify the policy. Any amendment or modification of the policy would be done by an appropriate authority as mandated in law. The updated Vigil mechanism would be shared with the employees, suppliers and vendors etc thereafter.


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