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## VIGIL MECHANISM & WHISTLE-BLOWER POLICY

Topic	Vigil Mechanism & Whistle-Blower Policy
Approved & Authorized By	Board of Directors and Vigil Mechanism Committee

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## **I]. LEGAL FRAMEWORK:**

In terms of provisions of Section 177 (9) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules 2014 and Clause 49 of the Listing Agreement mandates the following classes of companies to constitute a vigil mechanism-

- a) every listed Company; or
- b) Companies accepting deposits from public; or
- c) Companies which have borrowed money from Banks and Public Financial Institutions in excess of Rs. 50.00 crore.

In view of the above position, it has become necessary for the company to establish a Vigil Mechanism and to formulate a Vigil Mechanism & Whistle-Blower Policy to operate and govern such mechanism.

## **II]. PREFACE:**

The Company operates in complete accordance with applicable laws, rules and regulations, and the highest standards of business ethics. The Company acts internally and with external partners and associates with fairness & transparency; it works to meet the highest standards of professionalism, honesty, integrity, and ethics.

Towards this end, Company has adopted the Code of Conduct as reviewed & updated from time to time, which lays down the principles and standards that should govern the actions of the Company, its employees, and its stakeholders. Any actual or potential violation of the Code of conduct or commission of any other act not enumerated herein this Policy or otherwise perceived/considered as malpractice or improper activities, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company.

## **III]. OBJECTIVE:**

The Vigil Mechanism & Whistle-Blower Policy lays down guidelines for reporting of Protected Disclosures, by employees, directors, and other stakeholders, relating to violation of Code of Conduct of the Company or any other matters mentioned in this Policy or otherwise having merit except routine or personal or administrative matters.

This mechanism seeks to prevent malpractices, to investigate and resolve complaints, take appropriate action to safeguard the interests of the Company and to ensure that any person making a complaint (referred to as "a Whistle-Blower") is protected; at the same time, it guards against frivolous, baseless, or malicious complaints.

## **IV]. SCOPE & APPLICABILITY:**

This Policy should be read in compliment with other Company Policies, HR Manual on Code of Conduct, etc.

This Vigil Mechanism and Whistle-Blower Policy (the "Policy") sets out the procedure to be followed when making a protected disclosure.

This Policy covers and seeks to put a check on any/all kind of malpractices and improper activities including but not limited to the following matters:

- i. Abuse of authority, unfair treatment or discrimination.
- ii. Manipulation of Company data/records or inaccuracy in maintaining the Company's books of accounts & financial record.
- iii. Breach of terms & conditions or rules of employment or breach of contract.
- iv. Breach of Code of Conduct or other Company Policies, processes or procedures having adverse impact.

- v. Financial misappropriations or irregularities, including fraud, or suspected fraud & embezzlement.
- vi. Misappropriation of company funds/false expense re-imburements.
- vii. Misuse/damage of Company assets.
- viii. Perforation of confidential/propriety information.
- ix. Non-disclosure of conflict of interest having potential/material impact.
- x. Anti-competitive behaviour, directly/indirectly dealing/engaging with competitors or entering into relationships with or without agreements which may be construed as abuse of dominance or restrictive trade practices such as price fixation, unfair pricing, market sharing, exclusive tie in arrangements, limiting the supply of goods or services, collusive bid rigging or predatory pricing.
- xi. Non-adherence to safety guidelines.
- xii. Significant environmental, safety or product quality issues.
- xiii. Child labour
- xiv. Corruption/bribery.
- xv. Deliberate violation of law/legal provisions/regulations.
- xvi. Civil wrong-torts or Criminal offence.
- xvii. Violation of human rights or fundamental rights.

Any other unethical, immoral, illegal, biased, favoured, or imprudent activities, matters or events which may negatively impact the Company or on account of which the interest of the Company is affected.

Compliance with all applicable laws & regulations, norms & Policies of the Company is an absolute must and non-negotiable. The Company has a zero-tolerance policy for any such infringement and expects every employee not only to be fully aware of all applicable laws but also to comply with the same in letter and spirit.

#### **V]. ELIGIBILITY:**

This Policy has been formulated with a view to provide a mechanism to the Directors, Employees and Stakeholders to report their genuine concerns or grievances directly to CMD (Chairman & Managing Director) and members of Vigil Mechanism Committee in appropriate or exceptional cases. At the same time this Policy provides adequate safeguards to the Whistle-Blower against any or all kinds of victimization. The protected disclosures made by the Whistle-Blower may be in relation to matters concerning the Company.

This Policy applies to all Employees, regardless of their location. Violations will result in appropriate disciplinary action. The employees are required to familiarize themselves with this Policy and seek guidance or advice from the Vigil Mechanism Committee, if any questions arise.

#### **VI]. DEFINITIONS:**

- a) **“Act”** means Companies Act, 2013 r.w. relevant rules as amended from time to time.
- b) **“Company”** means Enpro Industries Private Limited (including all its units).
- c) **“Board”** means collective body of Directors for the time being in force.
- d) **“Employee”** means and includes all existing Employees including the Directors in the employment of the Company.
- e) **“Stakeholders”** means and includes suppliers, service providers, sales representatives, contractors, dealers, consultants, intermediaries like distributors and agents, lenders, customers, business associates, trainees’, and others with whom the Company has financial or commercial dealings.
- f) **“Code”** means Enpro’s code of conduct.

- g) **“Policy”** means the Vigil Mechanism & Whistle-Blower Policy of Enpro Industries Private Limited.
- h) **“Alleged improper activity”** shall mean actual or suspected fraud, embezzlement of cash, violation of law, and infringement of company’s code of conduct or ethics policy, substantial or specific danger to public health or safety and abuse of authority.
- i) **“Fraud”** in relation to affairs of the Company includes any act, omission, false representation or concealment of any fact or abuse of position committed by any person with the intent to deceive, to gain undue advantage from, or to injure the interests of the Company or its shareholders or its creditors or any other person, whether there is any **wrongful gain or wrongful loss**.
- j) **“Corruption”** includes the behaviour of individual/s willing to use illicit means to maximise personal or Company profit. This will include extortion, deception, collusion, cartels, trading in influence, money laundering.
- k) **“Bribery”** is not necessarily only the gift of money or cash offering but also any act where a person promises or gives a financial or other advantage which is designed to induce any party to perform a function improperly or reward them for having performed a function improperly. Even minimal monetary advantage/gain could invite or trigger investigation.
- l) **“Protected Disclosure”** means any communication made in good faith which demonstrates or discloses information which may evidence improper or unethical activity and can be considered as reportable matter under this Policy.
- m) **“Protected Disclosure Form”** is a form by which a submission be made to the Company regarding any concern or grievance under this/her Policy and is available on the Company’s website.
- n) **“Investigators”** includes the Chairman & Managing Director (CMD) of the Company, Members of Vigil Mechanism Committee and any person/s authorised, nominated, consulted, or approached by CMD or Vigil Mechanism Committee for investigation of any protected disclosure made under this policy.
- o) **“Committee”** means Vigil Mechanism Committee.
- p) **“Disciplinary Action”** means any action that can be taken on the completion of/during the investigation proceedings as per the policy on disciplinary action, or any action deemed appropriate based on the gravity of the matter.
- q) **“Whistle-Blower”** means Employees or Directors or Stakeholders making a protected disclosure/s under this policy.
- r) **“Respondent”** means a person against whom any concern/complaint/grievance/protected disclosure, etc. has been received from the Whistle-Blower.

#### **VII]. VIGIL MECHANISM COMMITTEE:**

Committee includes Whole-time directors, General Manager-HR, Manager-HR, and Company Secretary of the Company. This Committee composition shall be subject to review by the Board as may be deemed necessary and in accordance with any regulatory amendments for time being in force.

Committee shall meet forthwith on receipt of the complaint and review the same. Otherwise, Committee shall meet half-yearly to have necessary discussions, carrying out desired changes, for setting future plans, defining guiding principles, etc.

#### **VIII]. CONFLICTS OF INTEREST:**

Where a Protected Disclosure involves or is concerned to any member of the Vigil Mechanism Committee, then that member shall be prevented from acting in relation to that Protected Disclosure. In case of doubt, the Chairman of the Board of Directors shall be responsible for determining whether

such interested member of the Committee must refrain himself or herself from acting in relation to a Protected Disclosure.

**IX]. DISQUALIFICATIONS:**

Whistle-Blowers who make two or more protected disclosures which are subsequently found mala fide, baseless, malicious, or otherwise than in good faith will be disqualified from reporting further. Hence, protection under this policy should not mean protection from disciplinary action arising from false allegations made by a Whistle-Blower knowing it to be false or with an ulterior motive.

While it will be ensured that genuine Whistle-Blowers would be accorded protection from unfair treatment, any abuse of his/her protection will warrant disciplinary action.

**X. PROCEDURE - MODES OF MAKING PROTECTED DISCLOSURES:**

(a) Whistle-Blower should indicate his/her identity and should make protected disclosure in writing by letter addressed to either the CMD of the Company or to Vigil Committee members in a sealed envelope superscribed as the "Protected Disclosure – Private & Confidential."

(b) The reporting should be factual and not based on surmise or speculative in nature and should contain specific and relevant information close to the allegations which should help the authority to make initial assessment and investigation.

(c) Similarly a Whistle-Blower can drop an email on [vigil.mechanism@enproindia.com](mailto:vigil.mechanism@enproindia.com)

To enable the proper investigation of any Reportable Matter, a Protected Disclosure should include as much information as possible concerning the Reportable Matter. To the extent possible, the following information should be provided:

1. the nature of the Reportable Matter (for example, if the Reportable Matter concerns an alleged violation of the Code of Conduct, please refer to the provision of the HR Manual-Code of Conduct that is alleged to have been violated);
2. the names of the Employees to which the Reportable Matter relates (for example, please provide the name of the business unit that is alleged to have violated the Code of Conduct);
3. the relevant factual background concerning the Reportable Matter (for example, if the Reportable Matter concerns a violation of the Code of Conduct, please include information about the circumstances and timing of the violation).

**XI]. INVESTIGATION:**

a) The decision to conduct investigation will be taken by the Vigil Mechanism Committee and such investigation shall be carried in a neutral manner based on the availability of information received.

b) All the protected disclosures should be recorded in detail and thoroughly investigated. The investigation may be conducted by Vigil Mechanism Committee, or the task of investigation may be assigned to any officer or to an investigating Agency as may be considered appropriate.

c) The Vigil Mechanism Committee will lay down the process as to how the investigation to be conducted.

d) The Respondent against whom investigation is initiated should be kept informed in writing about the allegations made against him and the fact that investigation is being carried based on the allegations.

e) The Respondent shall be given an opportunity to appear before the investigating authority for being heard and to adduce evidence thereof in support of his/her assertion. He/she shall be given an opportunity to respond to material findings contained in the Investigation Report unless there are compelling reasons in not doing so under a given circumstance.

- f) The Respondent should have duty to co-operate with investigation authorities and such co-operation will not compromise self-incrimination, protections available under applicable laws.
- g) The Respondent should not try to influence the investigating authorities, nor any evidence conducive to investigation to be withheld, destroyed, or tampered. Witness should be accorded complete independence to express his/her findings before investigating authorities and should not be influenced, threatened, or intimidated by the person concerned.
- i) The Respondent shall have a right to be informed as to the outcome of the investigation.
- j) The investigation should be completed within a span of three months from the receipt of protected disclosure unless extended by the Vigil Mechanism Committee from time to time depending on the merit of the situation.

#### **XII]. PROTECTION OF WHISTLE-BLOWERS:**

- a) Whistle-Blower shall be accorded complete protection against unfair treatment for having made protected disclosures. It should be ensured that no unfair treatment, discrimination, harassment, or victimization is adopted against Whistle-Blower. The Whistle-Blower should be allowed to perform his/her duties without any difficulties after making the protected disclosures and continue to enjoy the right of making further genuine protected disclosures.
- b) Identity of the Whistle-Blower shall be kept absolutely secret to the extent possible. Similarly, persons other than Whistle-Blower who are assisting to carry out the investigation should be accorded protection in same way as Whistle-Blower.
- c) A Whistle-blower may make a Protected Disclosure without fear of retaliation or intimidation.

#### **XIII]. DOCUMENTATION & REPORTING MECHANISM FOR VIGIL MECHANISM COMMITTEE:**

- a) The Vigil Mechanism Committee will prepare a report based on the material findings in investigation and recommend the same to the management of the Company to take necessary action.
- b) In the event Respondent is aggrieved with the contents of the report, he/she has the right to inform the event to appropriate legal or investigation agency.
- c) The Respondent shall be subject to disciplinary action in accordance rules, procedure, and policy of the Company in case he/she makes a false allegation of unethical and improper practice to the Vigil Mechanism Committee.

The Vigil Mechanism Committee shall submit a report to CMD on a regular basis about all Protected Disclosures received since the last report together with the results of investigations, if any.

#### **XIV]. CONFIDENTIALITY:**

All the persons associated in the process of investigation comprising Members of Vigil Mechanism Committee, persons assigned with task of investigation by Vigil Mechanism Committee, complaint, Whistle-Blower, witness, and other persons who are involved shall:

- a) Maintain complete confidentiality of all matters relating to investigation.
- b) Desist from discussing with other anything about the investigation unless required as a part of process of investigation.
- c) Keep all the papers in a secured place & under restricted access at all the time when investigation is in progress. Or keep electronic mails/files under password.
- d) Not discuss the matter in any informal/social gatherings/meetings.
- e) Discuss the case only to the extent necessary or with the persons required to complete the process and investigations.

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

**XV]. DECISION:**

- a. If an investigation leads the Vigil Mechanism Committee/CMD to conclude that an improper or unethical act has been committed, they shall recommend to the management of the Company to take such disciplinary or corrective action as it deems fit, considering the guidelines laid down in the HR Manual-Code of conduct of the Company.
- b. It is clarified that any disciplinary action initiated against the Respondent because of the findings of an investigation pursuant to this Policy shall be in accordance with the HR Manual-Code of Conduct of the Company.

**XVI]. RETENTION OF DATA:**

All Protected Disclosures received along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years. All relevant records shall be kept in soft & hard form and in the custody of Company Secretary with restricted access.

**XVII]. AMENDMENTS:**

The Company reserves the right to amend or modify this Policy in whole or in part at any point of time. Any amendment to the Policy shall take effect from the date when it is approved by the Vigil Mechanism Committee of the Company.

**XVIII]. DISCLOSURES:**

The said Vigil Mechanism & Whistle-blowing Policy shall be hosted on the Company website.

The details of the establishment of vigil mechanism, Whistle-blower policy and affirmation that no personnel has been denied access to the Vigil Mechanism Committee will be stated in the relevant section of the Annual Report of the Company.

**XIX]. PROTECTED DISCLOSURE FORM:**

As per enclosures.

**ENCLOSURE-PROTECTED DISCLOSURE FORM:**

**DETAILS OF WHISTLE-BLOWER [OPTIONAL]**

Name of the Whistle-Blower (Optional)	
Designation (Optional)	
Department/Division (Optional)	
HOD (Optional)	
Location (Optional)	
Contact Number (Optional)	
E-mail (Optional)	
Correspondence address (Optional)	

**DETAILS OF VIOLATION**

Name of the wrong doer	
Designation	
Department/Division	
Location	
Nature of Violation	
Sequence of events, if applicable	
Source of information	
Other individuals involved	

Perceived Outcome of the violation	
Any other details	
List of attachments As enclosures	1. 2.
Any requests	

I hereby declare that the accompanying statements and supporting documentation (if any) is true and correct to the best of my knowledge and in complete good faith.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of the Whistle-Blower (Optional)