



WHISTLE BLOWER POLICY



TABLE OF CONTENTS

S.N.	Particulars	Page No.
Paragraphs		
1.	Objective	3
2.	Coverage and Scope	3
3.	Definitions	3
4.	Procedure for Reporting	5
5.	Respondents	5
6.	Investigation of Disclosures	6
7.	Protection to Whistle Blower	8
8.	Management Action on False Disclosures	8
9.	Retention of Documents	9
10.	Reports	9
11.	Amendment	9





Whistle Blower Policy

1. Objective:

The purpose of this **Whistle Blower Policy** ("Policy") is to articulate the need for and the importance of whistle blowing and to define the process and procedure for the functioning of the whistle blower mechanism of PAE Limited ("PAEL" or "Company").

The Whistle Blower Policy provides a platform and mechanism for the employees and stakeholders to report unethical / improper conduct without fear of reprisal and for PAEL to take suitable steps to investigate and to the maximum extent possible, prevent recurrence of such unethical/improper conduct.

Further, the Whistle Blower mechanism is perceived as a dynamic source of information about what may be going wrong at various levels within the Company, which will help the Company in realigning the processes and taking corrective actions as part of good governance practices.

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 as well as Regulation 22 of SEBI (LODR) Regulations, 2015, PAEL which is under the purview of the prescribed companies, is mandated to establish a mechanism called "Vigil Mechanism" for directors, employees and other stakeholders to report genuine concerns / grievances and this provides the legal basis for the Whistle Blower Policy.

As PAEL is required to constitute an Audit Committee, the Whistle Blower Mechanism will function under the aegis of the Chairman of the Audit Committee. This Policy will ensure that sufficient safeguards are provided against victimization of employees and directors, who act as whistle blowers in bringing out any unethical / improper conduct transpiring in the Company.

However, a disciplinary action against the Whistle Blower which occurs on account of poor job performance or any misconduct by the Whistle Blower, which is not in any manner related to any disclosure made by the Whistle Blower shall not be covered under this policy.

2. Coverage and Scope:

This policy is applicable to all the Employees of the Company including contract staff, experts and the Board of Directors.

3. Definitions:

- i) **"Action Taken Report"** means the Report to be submitted by the Vertical Head / Manager to the Managing Director of the Company on the Disciplinary Action taken against the Respondent along with the procedure to be implemented in preventing recurrence of such unethical misconduct.





ii) "Director" means every Director on the Board of Directors of the Company, past or present.

iii) "Disciplinary Action" means any action including but not limited to a warning, reduction or withholding of increments, reduction in grade, suspension or dismissal. iv) "Disclosure" means any communication made in good faith that discloses or demonstrates information that may be treated as evidence of an unethical or improper activity. Disclosure should be factual and not be speculative in nature.

v) "Employee" means every employee of the Company including contract staff, experts and the Board of Directors in the employment of the Company.

vi) "Investigators" means those persons authorised, appointed, consulted or approached by the Chairman of Audit Committee and/or the police, for investigation of any disclosure made under this policy.

vii) "Respondent" means an employee against or in relation to whom a Disclosure is made.

viii) "Unethical Practice" means and includes, but not limited to, the following activities:

- Manipulation of Company data / records;
- Abuse of authority;
- Revelation of confidential / proprietary information of the Company to unauthorized persons;
- Deliberate violation of statutory rules and regulations;
- Misappropriation of Company assets;
- Violation of the Company's policy
- Negligence resulting in loss to the Company including monetary, brand image, etc. and specific danger to public property, health and safety;
- Financial irregularities, including fraud or alleged fraud;
- Any unlawful act whether Civil or Criminal Activity;
- Breach of Contract;
- Bribery or Corruption;
- Breach of IT Security & Data Privacy;
- Misuse of Social Media;
- Falsification of records (for example, information relating to employment, expense claims etc.);
- Theft/Misuse of Company property
- Any other activities which has harmed or is likely to harm the interests of the Company.





ix) "Vigilance Officer" means the Vertical Head - Audit or a person or persons duly nominated / appointed by the Vertical Head - Audit, to conduct detailed investigation against the Respondent on the Disclosure made by the Whistle-blower and recommend Disciplinary Action against the Respondent. xii) "Whistle-blower" means any person who makes a Disclosure under this Policy.

4. Procedure for reporting:

It is recommended that any individual who wishes to make a Disclosure under this mechanism may do so after gathering adequate facts and information to substantiate the Complaint; Complaints based on hearsay or a rumour will not be entertained. The following types of complaints will ordinarily not be considered and taken up:

- Trivial, frivolous and malicious complaints
- Matters that are pending before the Court of Law or any other Regulatory Authorities
- Matters relating to service matters or personal grievance (such as increment, promotion, appraisal etc.)
- Customer/ product grievances
- Complaints pertaining to sexual harassment at work place

An Employee or a Stakeholder can make a Disclosure as follows: -

If the Disclosure is against a Respondent up to the level of Chairman of Audit Committee, it can be made to the Chairman of Audit Committee duly addressed by e-mail.

If the Disclosure is against a Respondent at level above Chairman of Audit Committee, it can be made to the Managing Director of the company duly addressed by e-mail.

It is advised that the Whistle Blower discloses his/ her identity while making the Disclosure for ensuring that adequate protection is granted to him/ her under the Policy.

Anonymous Disclosures without any personal motive may also be made; however, the Disclosure should be accompanied by strong evidence and data.

5. Respondents:

- i) No allegation of wrongdoing against a Respondent shall be considered as maintainable unless there is reasonable evidence in support of the allegation.
- ii) Respondents may be informed about the Disclosures made against them at the commencement of the formal inquiry/investigation process, at the discretion of the





Chairman of Audit Committee, unless there are compelling reasons to not inform them of the same.

iii) The Respondent shall be provided opportunities for submitting his/her explanation during the course of the inquiry/ investigation process.

iv) The Respondent shall not destroy or tamper with any evidence and shall have a duty to co-operate with the Vigilance Officer in the inquiry/ investigation process.

6. Investigation of Disclosures:

i) The Vigilance Officer(s) are duly authorized to investigate / oversee Disclosures reported under this policy;

ii) Disclosures made under this policy shall be recorded and duly actioned;

iii) The Vigilance Officer shall conduct an investigation and shall have the right to call for records, evidences, information, etc. from the Whistle-blower to substantiate the Disclosure wherever possible;

iv) The Vigilance Officer shall have the right to call for any kind of records (including personal), evidences, information, etc. from the Respondent in the event that the Vigilance Officer comes to a conclusion that there is a *prima facie* case existing against the Respondent;

v) The Respondent shall provide records, evidences, information, etc. called for by the Vigilance Officer immediately or within the time frame as suggested by the Vigilance Officer. The Respondent may also provide any other records, evidences, information, etc. which he/she feels will support his/her case to the Vigilance Officer, who shall consider the same as he may deem fit;

vi) In the event of the Respondent's refusal or the Respondent exercising any delay tactics in providing the above records, evidences, information, etc. to the Vigilance Officer, the Vigilance Officer shall have the absolute right to carry out the investigation based on the records, evidences, information, etc. available and recommend action or close investigation as he may deem fit. The Action taken report will be submitted thereafter.

vii) An investigation shall be conducted only after an initial review of the Disclosure by the Vigilance Officer *prima facie* establishes that:

- The Disclosure made, constitutes an unethical/ improper practice, as defined under this policy;
- The Disclosure made is supported by adequate information to conduct an investigation;
- The Disclosure falls under the purview of the Whistle Blower policy





- viii) Confidentiality of the Whistle Blower shall be maintained during the inquiry/investigation process; Any other employee serving as witness or assisting in the said investigation would also be protected to the same extent as the Whistle-blower.
- ix) Any inquiry/ investigation conducted against any Respondent shall not be construed by itself as an act of accusation and shall be carried out as a neutral fact-finding process, without presumption of any guilt.
- x) Depending on the prevailing circumstances, availability of data and other factors relevant to the Disclosure made, attempt will be made to complete the investigation within 55 working days of the receipt of concern (45 working days for completion of investigation and 10 working days for report preparation).
- xi) The inquiry/ investigation shall be conducted in a fair manner and the Vigilance Officer shall provide an equal opportunity to the Respondent for presenting his /her response to the allegation.
- xii) The Whistle-blower, Respondent, Investigators, Witnesses and everyone involved in the investigation process shall maintain complete confidentiality of the case, during and after the completion of the same.
- xiii) A report of the findings should be submitted by the Chairman of Audit Committee to the Managing Director of the Company along with his recommendation for action within 10 (ten) working days of conclusion of the Investigation.
- xiv) The Vertical Head- Audit shall submit the recommendations duly approved by the Managing Director to the Human Resources Management (HRM) of the Company for initiating Disciplinary Action against the Respondent in accordance with the Disciplinary Action policy of the Company.
- xv) The HRM shall issue a Show Cause Notice (SCN) to the Respondent mentioning details of Audit Findings calling for his comments, if any, within 5(Five) working days of receipt of the SCN. The HRM shall take Disciplinary Action against the Respondent within 25 (Twenty-Five) working days of issuance of SCN and while taking Disciplinary Action shall consider Respondent's comments, if any. The HRM shall inform the Vigilance Officer about the Disciplinary Action taken and if any delay in process, HR shall inform Vigilance officer with tentative date of closure.
- xvi) Based on the information received from the HRM, the Vertical Head- Audit shall submit an Action Taken Report, within 40 (Forty) working days of submission of the Recommendation to the Managing Director based on his recommendation made earlier.





Upon investigation if it is proved that the Whistle Blower has knowingly made a complaint that is frivolous, malicious or made with ulterior intent/motive, appropriate disciplinary action will be taken against the concerned Whistle Blower based on the recommendations made by the Chairman of Audit Committee. In any event, the employees or the third parties will not be exempted from accountability for their involvement in the self-reporting of such issues will be dealt with at the discretion of the Management.

8. Management Actions on False Disclosures:

- The Whistle-blower's disciplinary penalty may be reduced if/against the Whistle-blower, under the discretion of the management.
- If the Whistle-blower's negligence or error is found in relation to the disclosure, the making further Disclosures under this policy.
- Director or Indirect abuse of authority to obstruct the Whistle-blower, right to continue performance of his/her duties or functions during routine daily operations, including
- Disciplinary action including transfer, demotion, refusal of promotion, etc;
- Termination/suspension of services, etc;
- Unfair employment practices like retaliation, threat or intimidation of

The Company, as a policy, strongly condemns any kind of discrimination, harassment or any other unfair employment practice being adopted against the Whistle Blowers for Disclosures made under this policy. No unfair treatment shall be meted out towards the Whistle Blower by virtue of his/her having reported a Disclosure under this policy and the Company shall ensure that full protection has been granted to him/her against

any criminal or disciplinary proceedings, the Company will arrange for the Whistle-blower to receive guidance about the procedure.

The same shall be disclosed only upon prior intimation to the Whistle-blower. The Company will take steps to minimize difficulties, which the Whistle-blower may experience as a result of making the Disclosure. In the event that the Whistle-blower is required to give evidence in any criminal or disciplinary proceedings, the Company will arrange for the Whistle-blower to receive guidance about the procedure.

The Company encourages openness and supports anyone who raises a genuine concern in good faith under this Policy, even if they turn out to be mistaken.

7. Protection to Whistle Blower:





9. Retention of Documents:

All Disclosures including the Investigation Proceedings, Recommendations and Action Taken Reports shall be retained by the Vigilance Officer for a minimum period of 8 (Eight) years.

10. Reports:

A Report with number of Disclosures received under the Policy along with the outcome shall be placed before the Board annually.

11. Amendment:

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the directors, employees and stakeholders unless the same is notified to the directors and employees in writing and displayed on the website in case of stakeholders. This Policy supersedes the existing Whistle Blower Policy of the Company.

