

HPGCL VIGIL MECHANISM POLICY

1. Preamble:

- a) The vigil Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavioral of any employee of the company who shall promptly report to the management, and when she / he becomes aware of any actual or possible violation or an event of misconduct or act not in the Company's interest.
- b) The company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.
- c) The Companies Act, 2013 mandates that the company shall establish a vigil mechanism for Directors and Employees to report their genuine concerns about the Company's functioning.
- d) This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

2. Definitions:

- a) "Protected Disclosure" means a written communication of a concern made in good faith, which discloses or demonstrates information that may evidence an unethical or improper activity under the title "SCOPE OF THE POLICY" with respect to the Company. It should be factual and not speculative and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern."
- b) Subject" means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- c) "Vigilance Officer /Vigilance Committee or Committee" is a person or Committee of persons, nominated/appointed to receive protected Disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.
- d) "Whistle Blower "is a Director or employee who makes a Protected Disclosure under this Policy and also referred in this policy as complainant.
- e) "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177of the Companies Act, 2013.
- f) "Employee" means every permanent employee of the Company and its Directors.
- g) "Investigators" mean persons authorized, appointed, consulted or approached by the Audit Committee for dealing with any matter covered by this Policy by the Company.

3. Scope:

The Policy is an extension of the Code of Conduct for Directors & Senior Management Personnel and covers disclosure of any unethical and improper or malpractices and events which have taken place/ suspected to take place.

This Policy should not be used in place of the Company's Grievance Redressal Procedure or be a route for raising malicious or unfounded allegations against other Employee(s).

4. Procedure:

- a) All Protected Disclosures should be addressed to the Chairman of the Audit Committee of the Company for investigation and sent in a sealed cover to the Vigilance officer.
- b) Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or Hindi.
- c) The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower with his / her designation, place of posting, residential address and contact phone number. The covering letter will be detached before the Protected Disclosure is forwarded to any investigator.
- d) Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

5. Investigation:

- a) All Protected Disclosures reported under this Policy will be thoroughly investigated under the supervision of the Audit Committee.
- b) The Audit Committee may, at its discretion, consider involving any Investigators for the purpose of investigation.
- c) The identity of a Subject and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- d) Subjects will normally be informed of the allegations at the outset of a formal investigation and will have opportunities for providing their inputs during the investigation.
- e) Subjects shall have a duty to co-operate with the process of scrutiny and / or investigation.
- f) Subjects have a responsibility not to interfere with the scrutiny and /or investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- g) The investigation shall be completed normally within 90 days of the receipt of the Protected Disclosure.

6. Confidentiality:

The complainant, Vigilance Officer, Members of Audit Committee, the Subject and everybody involved in the process shall, maintain confidentiality of all matters under this Policy, discuss only to the extent or with those persons as required under this policy for completing the process of investigations and keep the papers in safe custody.

7. Investigators:

- a) A team of three Investigators to be authorized by the Audit Committee will conduct the process towards fact-finding and analysis with regard to the Protected Disclosures. They

should be senior officials of the Company or outside experts, wherever required, having necessary experience dealing with similar matters.

- b) Technical and other resources may be drawn upon as necessary for the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.

8. Reporting:

The Investigators shall submit a report to the Chairman of the Audit Committee on a quarterly basis about all Protected Disclosures referred to them since the last report together with the results of investigations, if any.

9. Decision:

If an investigation leads to the conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the management of the Company such disciplinary or corrective action as may be deemed fit.

10. Retention of documents:

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.