

# Vigil Mechanism Policy

## Introduction

Neo Metaliks Ltd. believes in the conduct of its business and related affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Towards this end, the Company has adopted the Neo Metaliks Code of Conduct, which lays down the principles and standards that should govern the actions of the Company, its stakeholders and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the Directors, Employees and stakeholders in pointing out such violations of the Code cannot be undermined. The company encourages our employees, customers, suppliers and other stakeholders to raise concerns or make disclosures when they become aware of any actual or potential violation of our Code, policies or law. We also encourage reporting of any event (actual or potential) of misconduct that is not reflective of our values and principles.

Section 177(9) of the Companies Act, 2013 (the Act) also mandates the following classes of companies to constitute a vigil mechanism –

- Every listed company;
- Every other company which accepts deposits from the public;
- Every company which has borrowed money from banks and public financial institutions in excess of ₹ 50 crore.

## Objective

Vigil Mechanism Policy aims at providing an avenue to Neo employees and stakeholders to raise concerns in case they observe any unethical and improper practice or any other wrongful conduct in the company.

It seeks to provide necessary safeguards for protection of employees and other stakeholders from reprisals or victimization and to prohibit managerial personnel from taking any adverse personnel action against such employees.

The main intent of the policy is to ensure that Neo Metaliks Ltd. continues to strive to the highest possible standards of Ethical, Moral, and Legal Business conduct and its commitment to open communication.

## **Definitions**

**Audit Committee** - means the Audit Committee of Directors constituted by the Board of Directors of the Company.

**Chief Ethics Counsellor (CEC)** means the CEC of Neo Metaliks Ltd., who is the process owner and shall oversee the Vigil Mechanism. CEC is to be appointed by the Audit Committee based on recommendation of CEO & MD.

**Protected Disclosure**- means any communication made in good faith that discloses or demonstrates information that may be treated as evidence of unethical or “Improper activity”.

**Good Faith**- means if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the Whistleblower does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.

**Code**- means the Neo Metaliks Code of Conduct

**Investigators** - Those persons authorized, appointed, consulted or approached by the Chief Ethics Counsellor / Competent authority in connection with conducting investigation into a protected disclosure.

**Employee**- means every employee of the Company including contractual employees and the directors in the employment of the Company.

**Improper Activity**- means Unethical behavior, actual or suspected fraud or Violation of the company’s general guidelines on conduct or ethics policy by any employee of Neo Metaliks Ltd.

**Stakeholders-** means and includes vendors, suppliers, lenders, customers, consultants, business associates, trainee and others with whom the Company has any financial or commercial dealings.

**Subject-** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

**Complainant-** means an Employee or director or any stakeholder making a Protected Disclosure under this Policy.

**Disciplinary action-** It means any action that is being taken against an employee if any kind of improper act like fraud, scam etc. identified during course of investigation. It includes, however it is not limited to warning, suspension. Disciplinary action varies from case to case basis.

### **Scope**

The scope of vigil mechanism policy is to define the actions for raising a concern, and the protection provided to the person raising the concern. The set of procedures to be followed when a concern is raised and the responsibilities of different associates. In all cases company reserves the right whether a case requires investigation or not, if required then how it has to be followed as per the vigil mechanism policy.

### **Eligibility**

- All Employees, Directors and stakeholders of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

### **Disqualifications**

- While it will be ensured that genuine complainants are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.

- Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a complainant knowing it to be false or bogus or with a mala fide intention.
- The Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action against a complainant who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith.

### **Protection**

1. No unfair treatment will be meted out to a complainant by virtue of his/her having reported a Protected Disclosure under this Policy. Neo Metaliks Ltd., as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against complainants.
2. A complainant may report any violation of the above clause (1) to the Chief Ethics Counsellor, who shall investigate into the same and recommend suitable action to the management.
3. The identity of the complainant shall be kept confidential to the extent possible. Complainants are cautioned that their identity may become known for reasons outside the control of the Chief Ethics Counsellor (e.g. during investigations carried out by Investigators).
4. Any other Employee assisting in the said investigation shall also be protected to the same extent as the complainant.

### **PROCEDURES – ESSENTIALS AND HANDLING OF PROTECTED DISCLOSURE**

1. All Protected Disclosures should be addressed to the Chief Ethics Counsellor of the Company for investigation.
2. If a protected disclosure is received by any executive of the Company other than the Chief Ethics Counsellor, the same should be forwarded to CEC for further appropriate action. Appropriate care must be taken to keep the identity of the complainant confidential.

3. Protected Disclosures should preferably be reported in writing through **offline or e-mail mode**.

- **Offline** - To ensure a clear understanding of the issues raised and it should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the complainant. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the complainant. The complaint should be necessarily inserted in a closed/secured/sealed envelope, addressed to the Chief Ethics Counsellor and should be superscripted "Protected Disclosure".

The Chief Ethics Counsellor shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.

- **Via Email**- The access right to open/view/access the complaints under "Protected Disclosure" category is restricted only to the Chief Ethics Counsellor.

4. 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 and the urgency of a preliminary investigative procedure.

5. The complainant must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures are not favored as it would not be possible to interview the complainant. However, when an anonymous complainant provides specific and credible information that supports the complaint, such as alleged perpetrators, location and type of incident, names of other personnel aware of the issue, specific evidence, amounts involved etc. while choosing to maintain anonymity, then there are often sufficient grounds for the Company to consider an investigation into the complaint.

6. Evidence of the Protected Disclosure will not be concealed and appropriate action including disciplinary action will be taken in case of attempts to conceal or destroy evidence.

7. 'Subject' of the Protected Disclosure i.e., employee against or in relation to whom a protected Disclosure has been made, will be provided an opportunity of being heard.

8. HR department will play a role in case of people related complaints and issues. Such role will be determined by the Audit Committee, on a case-to-case basis.

### **Investigation**

1. Investigation shall be launched if the Audit Committee is satisfied after preliminary review that:
  - The alleged act constitutes an improper or unethical activity or conduct, and
  - The allegation is supported by information and specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter deserves investigation.
2. The Chief Ethics Counsellor may at his discretion, consider involving any Investigators for the purpose of investigation.
3. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Chief Ethics Counsellor of the Company who will investigate / oversee the investigations. If any member of the Audit Committee has a conflict of interest in any given case, then he/she should recuse himself/herself and the other members of the Audit Committee should deal with the matter on hand. In case where a company is not required to constitute an Audit Committee, then the Board of directors shall nominate a director to play the role of Audit Committee for the purpose of vigil mechanism to whom other directors, employees and stakeholders may report their concerns.
4. The decision to conduct an investigation taken by the Chief Ethics Counsellor is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the complainant that an improper or unethical act was committed.
5. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of the investigation.
6. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
7. Subjects shall have a duty to co-operate with the CEC or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

8. Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or the CEC and/or the complainant. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
9. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
10. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
11. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
12. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

### **Investigators**

- Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Chief Ethics Counsellor when acting within the course and scope of their 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.
- The investigation would be conducted as a neutral fact finding process and without any presumption of guilt.
- A written report of the findings would be essential. The investigators shall submit his/their report to the CEC.

### **Decision**

- If an investigation leads the Chief Ethics Counsellor to conclude that an improper or unethical act has been committed, he may recommend the management to take disciplinary action or corrective action as he may deem fit.
- It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff.
- The Members of the Audit Committee on approval from the Chief Ethics Counsellor shall take such other remedial action as it deem fit to remedy the improper activity mentioned in the Protected Disclosure and / or to prevent the re-occurrence of such improper activity.
- If the investigation discloses that no further action on the protected disclosure is warranted, the report shall be filed in the Confidential Section.

### **Reporting**

- The CEC shall submit a quarterly report of the protected disclosures received and of the investigations conducted, and of the action taken to the Board of Directors for information and review.

### **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.

### **NOTIFICATION**

All Executives Directors/ Departmental Heads etc. are required to notify & communicate the existence and content of this policy to the employees of their department. HR Department shall obtain and keep at Corporate Office the acknowledgement of this policy from all the employees of Neo Metaliks Ltd. The Vigil Mechanism policy shall be prominently displayed on all Notice Boards of the Company. This policy, including amendments thereof, shall also be made available on the website of the company.



**Annual Affirmation**

The details of the establishment of vigil mechanism and affirmation that no personnel has been denied access to the Audit Committee will be stated in the section on Corporate Governance of the Annual Report of the Company.

**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.