



ARDEE ENGINEERING LIMITED

POLICY OF VIGIL MECHANISM

Introduction

Ardee Engineering Limited (the “**Company**”) believes in promoting a fair, transparent, ethical and professional work environment. While the Company’s 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 (Whistle Blower Policy) is implemented not only as a safeguard to unethical practices but is also intended to provide mechanism for reporting genuine concerns or grievance and ensure that deviations from the company’s Code of Conduct and Values are dealt with in a fair and unbiased manner.

Section 177 (9) of the Companies Act, 2013 and Regulation 22 read with Regulation 4(2)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) provide for the establishment of the Vigil Mechanism/ Whistle Blower Policy for reporting to the management instances of actual or suspected unethical behaviour, fraud or violation of the Company’s Code of Conduct / ethics / principles, which are in turn to be monitored by the Audit Committee.

A.1 Definitions

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

- a) **Protected disclosure:** Any communication made in good faith that discloses or demonstrates evidence of any fraud or unethical activity within the company.
- b) **Whistle-blower:** An individual who makes a protected disclosure under this mechanism. This could be an employee, director, vendor, partner and consultant, including auditors and advocates of Company.
- c) **Board of Directors:** As defined in Companies Act 2013.
- d) **Nominated Director:** Director nominated by board of directors for the purpose of addressing the complaints / protected disclosures made under Vigil Mechanism.
- e) **Code of Conduct:** A set of rules outlining the responsibilities of or proper practices applicable to all executives and employees of Company.
- f) **Vigilance Officer:** means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the nominated director for its disposal and informing the whistle-blower the result thereof.
- g) **Investigators:** Selected employees or third parties assigned with conducting investigations to ascertain the creditability of such whistle-blower complaints.
- h) **Subject:** means a person against whom, or in relation to whom a Protected Disclosure is made.
- i) **Audit Committee:** means the Audit Committee constituted by the Board of Directors of the Company in accordance with the provisions of Section 177 of the Companies Act, 2013 and Rules made thereunder, read with relevant provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (as amended from time to time).

- j) **Disciplinary committee:** Committee consisting employees appointed by nominated director to take disciplinary or corrective action against the Subject as per the company's disciplinary procedures.

A.2. Audit Committee

All the matters and grievances will be reported to Chairman of the Audit Committee who shall act as Vigilance Officer and members of committee or any person/persons appointed by Committee shall act as Investigators. The Audit committee will act as Disciplinary committee.

A.3. Guiding principles of the vigil mechanism

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

- a) Ensure protection of the whistle-blower against victimization for the disclosures made by him/her.
- b) Ensure complete confidentiality of the whistle-blower identity and the information provided by him/her.
- c) Ensure that the protected disclosure is acted upon and no evidence is concealed or destroyed.
- d) Ensure that the investigation is conducted honestly, neutrally and in an unbiased manner.
- e) Ensure whistle-blower would not get involved in conducting any investigative activities other than as instructed or requested by investigator or by nominated director.
- f) Ensure the subject or other involved persons in relation with the protected disclosure be given a fair and without any presumption of guilt, 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.
- h) Ensure that suitable action be taken against the person (where identity is disclosed by the whistle blower) making frivolous protected disclosures with an intention to wrongly defame and tarnish the image of subject as well as to settle his/her personal grudge.

A.4 Protection for whistle-blower

- a) A whistle-blower would be given the option to keep his/ her identity anonymous while reporting an incident on Ethics Helpline. The company will make no attempt to discover the identity of an anonymous whistle-blower. If the whistle-blower's identity becomes known during the course of the investigation, company will ensure that the identity of the whistle-blower will be kept anonymous and confidential to the extent possible, unless required by law or in legal proceedings.
- b) A whistle-blower reporting issues related to discrimination or harassment (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 whistle-blower.

- d) The Nominated Director would safeguard the whistle-blower 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 whistle-blower.
- f) A whistle-blower may not be granted protection under this mechanism if he/she is subject of a separate complaint or allegations related to any misconduct.

A.5 Coverage of the vigil mechanism

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

- a) Accounting, Auditing and Internal Financial Matters
- b) Conflict of Interest
- c) Disclosure of Confidential Information
- d) Discrimination or Harassment
- e) Embezzlement
- f) Falsification of Contracts, Reports or Records
- g) Gifts and Entertainment
- h) Improper Supplier or Contractor Activity
- i) Theft
- j) Time Abuse
- k) Violation of Policy
- l) Other

A.6. Reporting mechanism

The whistle-blowers are expected to speak up and bring forward the concerns or complaints about issues listed in the policy. To report a complaint, whistle-blower has to send a mail directly to the vigilance officer and the director at mkk@ardee.co.in

The Whistle Blower must provide factually corroborating evidence, as is available and to the extent possible, to enable commencement of an investigation at the earliest, preferably within 30 days of the irregularity or breach of the code noticed by him/her.

When the Whistleblower feels it necessary it may also be submitted directly to the Chairperson of the Audit Committee via email at the email id compliance@ardee.co.in or Chairman of the Board of Directors via email id. chan@ardeeeng.com.

All Protected Disclosures concerning financial / accounting matters should be addressed to the Chairperson of the Audit Committee of the Company and Vigil Mechanism for investigation.

A.7 Investigation

The investigation would be carried out to determine the authenticity of the allegations and through fact- finding process.

- a) If initial enquiries by the Vigilance Officer indicate that the concern has no basis, or it is not a matter to be investigation under this Policy, it may be dismissed at this stage with the approval of Nominated Director and the decision will be documented.
- b) Where initial enquiries indicate that further investigation is necessary, this will be carried through either by The Vigilance Officer or by such other person as may be appointed by the Nominated director. The investigation would be conducted in a fair manner, as a neutral fact- finding process and without presumption of guilt. A written report of the findings will be made.
- c) The investigation team should not consist of any member with possible involvement in the said allegation or from the same Department (as per company definition) from which the subject and aggrieved belongs.
- d) During the course of the investigation:
 - i. Investigation team will be given authority to take decisions related to the investigation.
 - ii. Any required information related to the scope of the allegation would be made available to the investigators.
- e) The findings of the investigation should be submitted to the Nominated director and Head of CAMG Strategic Internal Audit Division.
- f) Confirmed cases will be submitted to the Disciplinary Committee by the investigator with its report and findings along with required supporting documents, for confirmation of disciplinary actions.

A.8 Role of investigator

- a) A structured approach should be followed to ascertain the creditability of the charge.
- b) Ensure the confidentiality and secrecy of the issue reported and subject is maintained.
- c) Provide timely update to the nominated director on the progress of the investigation.
- d) Ensure investigation is carried out in an independent and unbiased manner, without any presumption of guilt.
- e) Document the entire approach of the investigation.
- f) Investigation Report including the approach of investigation should be submitted to the nominated director and head of CAMG SIA division
- g) Submit investigation report of all confirmed cases to the disciplinary committee.

A.9 Maintaining secrecy and confidentiality

Company 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.

A.10 Disqualifications

- a) Issues other than those listed under Section A.5 “Coverage of the vigil mechanism”.
- b) The complainant is not able to provide specific information that covers at least some of the following points:
 - i. Location of incident
 - ii. Timing of incident
 - iii. Personnel involved
 - iv. Specific evidence
 - v. Frequency of issues
- c) In case the complainant is unable to provide adequate information, the Vigilance officer reserves the right to not investigate the reported matter with the permission of nominated director.

A.11 Management decision

- a) Disciplinary 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 Disciplinary 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.

A.12 Retention of records

Records relevant to the investigation/complaint will be retained for 7 years from the date of closure of Investigation.

A.13 Right to amendment

The company holds the right to amend or modify the policy. The updated Vigil mechanism would be shared on company website. Unless otherwise specified such amendments shall be effective from the date of the meeting of the Board of Directors of the Company at which such amendments are approved.