

VIGIL MECHANISM AND WHISTLE - BLOWER POLICY

A. Introduction

The Company believes in the conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Towards this end, the Company has adopted the SCIL Code of Conduct (“the Code”), which lays down the principles and standards that should govern the actions of the Company 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 employees in pointing out such violations of the Code cannot be undermined. There is a provision under the Code requiring employees to report violations, which states:

“Every employee of SCIL shall promptly report to the management, when she / he becomes aware of any actual or possible violation of the Code or an event of misconduct, or act not in the company’s interest.

Any SCIL employee can choose to make a protected disclosure under the whistle blower policy of the company, providing for reporting to the chairperson of the audit committee or the board of directors. Such a protected disclosure shall be forwarded, when there is reasonable evidence to conclude that a violation is possible or has taken place, with a covering letter, which may bear the identity of the Whistle blower.

The company shall ensure protection to the whistle blower and any attempts to intimidate him/her would be treated as a violation of the Code”

Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 mandates the following classes of companies to constitute a vigil mechanism –

- (a) Every listed company; Every other company which accepts deposits from the public;
- (b) Every company which has borrowed money from banks and public financial institutions in excess of Rs. 50 Crores.

Accordingly, this Whistle blower Policy (“the Policy”) has been formulated with a view to provide a mechanism for directors and employees of the Company to approach Chairman of the Audit Committee of the Company.

B. Definitions

The definitions of some of the key terms used in this Policy are given below:-

- (a) **Audit Committee** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.
- (b) **Employee** means every employee of the Company, including the directors in the employment of the Company.
- (c) **Code** means the SCIL Code of Conduct.

- (d) **Investigators** mean those persons authorized, appointed, consulted or approached by the Chairman of the Audit Committee and includes the auditors of the Company and the police.
- (e) **Protected Disclosure** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- (f) **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.
- (g) **Whistle blower** means an employee or director making a Protected Disclosure under this Policy.

C. Scope

- (a) This Policy is an extension of the SCIL Code of Conduct. The Whistle blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of acts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- (b) Whistle blowers should not act on their own in conducting any investigative activities, nor do they have right to participate in any investigative activities other than as requested by the Ethics Counsellor or the Chairman of the Audit Committee or the Investigators.
- (c) Protected Disclosure will be appropriately dealt with by the Chairman of the Audit Committee

D. Policy

RESPONSIBILITY TO REPORT

Protected Disclosures are to be made whenever an Employee becomes aware of a Reportable Matter. The Protected Disclosure should be made promptly upon the Employee becoming aware of the Reportable Matter. Protected Disclosure should be made pursuant to the reporting mechanism as described below.

The role of a Whistle-blower is limited to making a Protected Disclosure. A Whistle-blower should not engage in investigations concerning a Reportable Matter that is the subject of a Protected Disclosure. Neither should a Whistle-blower become involved in determining the appropriate corrective action that might follow from the submission of a Protected Disclosure.

E. Reporting Mechanism

The Company has established an Ethics & Compliance Task Force to process and investigate Protected Disclosures. The Ethics & Compliance Task Force operates under the supervision of the Audit Committee. Protected Disclosures are to be made to the Ethics & Compliance Task Force as follows:

- (i) by email to whistleblower@safexchemicals.com ; or
- (ii) by letter addressed to the Ethics & Compliance Task Force, marked “Private and Confidential”, and delivered to:

The Chairman of the Ethics & Compliance Task Force,
Safex Chemicals India Limited
807-808, 8th Floor, Jacksons Crown Heights
Plot no. 3B1, Twin District Centre, Sector-10,
Rohini, Delhi-110085

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:

- (i) the date of occurrence and nature of the Reportable Matter
- (ii) the names of the Employees to whom the Reportable Matter relates.
- (iii) the relevant factual background concerning the Reportable Matter and
- (iv) the basis for the Protected Disclosure

To enable further investigation of Reportable Matters, Whistle-blowers are strongly encouraged to provide their name and contact details whenever they make a Protected Disclosure under this Policy. If a Whistle-blower does not provide his or her name and contact details when making a Protected Disclosure, the Company’s ability to investigate the subject-matter of the Protected Disclosure may be limited by its inability to contact the Whistle-blower to obtain further information.

All Protected Disclosures are taken seriously and will be promptly investigated by the Company in accordance with the Guidance on Responding to Protected Disclosures.

F. Protection of Whistleblowers

If a Whistle-blower does provide his or her name when making a Protected Disclosure, the Company will treat as confidential the identity of the Whistle-blower and the fact that a Protected Disclosure has been made, except as otherwise required by law and to the extent possible while allowing an investigation to proceed.

A Whistle-blower may make a Protected Disclosure without fear of retaliation or intimidation. The Company prohibits its Employees from engaging in retaliation or intimidation directed against a Whistle-blower. Employees who engage in retaliation or intimidation in violation of this Policy will be subject to disciplinary action, which may include summary dismissal.

However, if a Whistle-blower has been found to have made a deliberately false Protected Disclosure, that Whistle-blower may be subject to disciplinary action, which may include summary dismissal.

G. Role of the Audit Committee

The Audit Committee is responsible for supervising the development and implementation of this Policy, including the work of the Ethics & Compliance Task Force. The Audit Committee shall periodically review this Policy to consider whether amendments are necessary, and, if so, it shall communicate any such amendments to all Employees as soon as possible.

The Audit Committee shall receive reports from the Ethics & Compliance Task Force concerning the investigation and resolution of Protected Disclosures made pursuant to the Policy on a quarterly basis as per the guidelines given by the Audit Committee. In addition, the Audit Committee shall have responsibility for co-ordinating the investigation of any serious Protected Disclosures concerning the alleged violation of laws or regulations that apply to the Company.

H. Conflict of Interest

Where a Protected Disclosure concerns any members of the Ethics & Compliance Task Force or the Audit Committee, that member of the Ethics & Compliance Task Force or the Audit Committee 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 a member of the Ethics & Compliance Task Force or the Audit Committee must rescue himself or herself from acting in relation to a protected disclosure.