

Vigil Mechanism/Global Whistle Blower Policy

I. PREAMBLE

Panama Petrochem Limited is committed to conducting the affairs of the Company in a fair and transparent manner, in order to achieve the highest standards of ethical, moral and legal principles which are embedded in the day to day operations of the Company.

To maintain these standards, the Company encourages its employees, customers and all other stakeholders to come forward and express their concerns about actual or suspected misconduct if any without fear of punishment or unfair treatment.

This policy is formulated to provide a channel to all its stakeholders to report to the management concerns about unethical behavior, actual or potential, fraud or violation of the Codes of conduct or policy or any other unethical conduct.

However, it must be noted that this policy cannot be used as a way to raise malicious or false allegations against people in authority or individuals in general that are associated with the company in any way. Any such attempt shall result in strict disciplinary actions against persons making such wrong acquisitions.

II. ELIGIBILITY

All the stakeholders of the company are eligible to make protected disclosures under the policy about unethical behavior, actual or suspected fraud or any other matter that pertains to the company.

III. SCOPE OF THE POLICY

The policy covers malpractices or fraud actual or suspected, abuse of authority, violation of the law or company rules or any other improper practices or alleged wrongful conduct, which is likely to affect the interest of the company and its stakeholders.

The mechanism also provides for adequate safeguards against victimization of stakeholders and prohibits any managerial personnel from taking any adverse actions in this regard.

IV. DEFINITIONS

1. **Audit Committee:**

Audit Committee shall mean a Committee of Board of Directors of the Company, constituted in accordance with provisions of Section 177 of Companies Act, 2013 read with Regulation 18 of the Listing Regulation.

2. **Company:**

Company means, “Panama Petrochem Limited.”

3. **Compliance Officer:**

Compliance Officer means, “Company Secretary” of the Company.

4. **Good Faith:**

Any communication of an unethical and improper practice or any other alleged wrongful conduct shall be considered to be made in ‘good faith’ if there is a reasonable basis for such communication. However, the same if made with wrongful intention and where the person making such complaints has knowledge of it being false, malicious and frivolous shall be deemed to be lacking good faith.

5. **Managerial Personnel:**

Managerial Personnel shall include the Directors of the company, all Executives at the level of Manager and above, who have the authority to make or materially influence significant personnel decisions.

6. **Unethical and Improper Practices:**

Unethical and improper practices shall include –

- a) An act which does not conform to approved standard of social and professional behavior;
- b) An act which leads to unethical business practices;
- c) Breach of etiquette or morally offensive behavior,
- d) Incorrect financial reporting;
- e) Business operations not in line with applicable company policy;
- f) Are unlawful and violate the laws and regulations applicable for the time being in force;

- g) Abuse of authority;
- h) Suspected or actual criminal offence, corruption, theft, bribery, fraud or misconduct of Company's assets;
- i) Unauthorized disclosure of confidential information to the third party

7. Whistle Blower / Complainant:

A stakeholder or a group of stakeholders of the company who make protected disclosure under this policy pertaining to any actual/suspected wrongful act within the organization. The Whistle Blower's role is as a reporting party; he/she is not an investigator. Although the Whistle Blower is not expected to prove the truth of an allegation, he needs to demonstrate, that there are sufficient grounds for concern.

V. GUIDELINES

1. Protection under Policy

- i. This Policy prohibits the Company to take any adverse personnel action against the whistleblower for disclosing in good faith any unethical & improper practices or alleged wrongful conduct.
- ii. No unfair treatment to the whistleblower for having reported a protected disclosure under this policy.
Maintain complete confidentiality of the whistleblower to the greatest extent possible. Every effort will be made to protect the whistle blower's identity, subject to legal constraints.
- iii. Any stakeholder against whom any adverse personnel action has been taken due to his disclosure of information under this policy may directly approach the Chairman of the Company.
- iv. Provide an opportunity of being heard to the persons involved especially to the subject.
- v. No attempt to conceal the evidence of the protected disclosure shall be made.
- vi. Any other stakeholder assisting in the said investigation shall also be protected to the same extent as the whistleblower.
- vii. Protection under this policy would not mean protection from disciplinary action arising out of false allegations by the whistleblower made purely with mala fide intention.

The Company/Audit Committee reserves the right to take appropriate disciplinary actions against whistleblowers who make Protected Disclosures which have subsequently found to be mala fide, and made otherwise than in good faith.

2. Investigations:

- i. Investigations will be launched only after a preliminary review has been carried out, which establishes that:
 - a. The allegations made constitute an improper and unethical activity or conduct and
 - b. There exists satisfactory information supporting the allegations to carry out the investigation and are worthy of management review.
- ii. The protected disclosure should be factual stating as much information as possible to allow proper assessment of the protected disclosure.
- iii. The investigations would be conducted in a fair manner with no prejudice and without presumption of guilt.

VI. Procedures

The whistle blowing procedure is intended to be used for serious concerns relating to financial reporting, unethical & improper practices or alleged wrongful conduct. Protected Disclosers shall be made to:

- the Head of Department;
- in case it involves Managerial Personnel to the Managing Director of the Company;
- and in exceptional cases to the Chairman of the Audit Committee;

as soon as possible but not later than 45 consecutive calendar days after becoming aware of the same.

In case of the protected disclosure being made to the **Departmental Head**, the Whistle Blower Report shall immediately be forwarded to the Managing Director of the Company, ensuring that appropriate care is taken to protect the identity of the whistleblower.

The Managing Director will inquire in respect of the Whistle Blower Report and after preliminary inquiry, shall forward the same to the Audit Committee of the Company.

The Audit Committee shall appropriately and expeditiously investigate the whistle blower report received. In this regard, if the circumstances so suggest, the Audit Committee may appoint a senior executive or a committee of managerial personnel to investigate into the matter and prescribe the scope and time limit therefore.

The Audit Committee shall have the right to outline detailed procedure for an investigation and where a senior executive or a committee of managerial personnel for investigation has been appointed by the audit committee, they shall mandatorily adhere to the scope and procedure outlined by Audit Committee for investigation.

The Audit Committee or officer or committee of managerial personnel, as the case may be, shall have the right to call for any information/document and examination of any person(s), as they may deem appropriate for the purpose of conducting investigation under this policy.

A report shall be prepared after completion of investigation and the Audit Committee shall consider the same and appropriate course of action shall be determined thereupon.

Subject to legal constraints, the outcome of the investigation shall be shared with the accused. The decision of Audit Committee shall be final and binding, only after giving an opportunity of being heard to the accused. If and when the Audit Committee is satisfied that the alleged unethical & improper practice or wrongful conduct existed or is in existence, then the Audit Committee may –

- a) recommend to Board to reprimand, take disciplinary action, impose penalty / punishment order recovery when any alleged unethical & improper practice or wrongful conduct of any employee is proved.
- b) recommend termination or suspension of any contract or arrangement or transaction vitiated by such unethical & improper practice or wrongful conduct.

VII. Annual Affirmation:

The Company shall annually affirm that it has not denied any personnel access to the Audit Committee and that it has provided protection to whistle blower from adverse personnel action.

The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Company.

VIII. Amendments:

The Company reserves the right to amend or modify this policy in whole or in part at its own discretion to the extent required.

Any subsequent amendment / modification in the Companies Act, 2013, the listing Regulations and / or other applicable laws in this regards shall automatically become applicable.