

JAYPEE HEALTHCARE LIMITED

VIGIL MECHANISM POLICY

PREAMBLE

Jaypee Group believes in adhering to the highest standards of ethical, moral and legal conduct in all its business operations. The group is committed to developing a culture where it is safe for all employees to raise concerns about any event of misconduct or violation of law in force.

Pursuant to Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 the following classes of companies are required to establish 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 Rs. 50 crores.

Such a Mechanism shall provide a channel and manner of reporting; adequate safeguards against any kind of victimization of the directors and employees who use this mechanism and a direct access to the Chairman of the Audit Committee in appropriate cases.

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

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. **“Complainant”** means a Director or an employee/ group of employees who makes a protected disclosure under this Policy.
- c. **“Employee”** means every employee of the Company (whether working in or outside India), including the directors in employment of the Company.
- d. **“Investigators”** mean those persons authorised, appointed, consulted or approached by the Chairman of the Audit Committee to conduct the

investigation process under this Policy and include the auditors of the Company and the police.

- e. **“Protected Disclosure”** means a communication in writing by a complainant disclosing/ demonstrating specific and factual information that may evidence an unethical or improper conduct with respect to the Company.
- f. **“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- g. **“Vigilance Officer”/Chairman** means an officer appointed to receive protected disclosures, maintain records thereof, place the same before the Audit Committee for its disposal and inform the Complainant the result thereof.

ELIGIBILITY

The Directors and employees/group of employees of the company are eligible to make Protected Disclosures under this Policy in relation to the matters concerning the company.

SCOPE OF POLICY

The Policy covers malpractices and events which have taken place/suspected to take place involving and not limited to:

1. Breach of the Company's Code of Conduct
2. Breach of Business Integrity and Ethics
3. Breach of terms and conditions of employment and rules thereof
4. Intentional Financial irregularities, including fraud, or suspected fraud
5. Deliberate violation of laws/regulations
6. Gross or Willful Negligence causing substantial and specific danger to health, safety and environment
7. Manipulation of company/propriety information
8. Pilferage of confidential/propriety information
9. Gross Wastage/misappropriation of Company funds/assets

PROCEDURE

All Protected Disclosures should be reported in writing by the Complainant as soon as possible after the Complainant becomes aware of the same.

The Protected Disclosures should be typed/handwritten in a legible handwriting in Hindi/English/Vernacular Language of the place of employment of the Complainant so as to ensure the clear understanding of the issues raised.

The Protected Disclosures should be submitted under a covering letter signed by the Complainant in a closed and secured envelope and should be super-scribed as **“Protected Disclosure under the Vigil Mechanism Policy”**.

The Protected Disclosures should be reported to the Chairman of the Audit Committee/the Vigilance Officer, under a covering letter signed by the complainant. The Chairman of the Audit Committee / the Vigilance Officer, as the case may be, shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.

Contact Details of the Vigilance Officer are as under:

Chairman of the Audit Committee
Jaypee Healthcare Limited
Sector 128, Noida, UP-201304.

Any anonymous/ pseudonymous disclosures shall be entertained by the Chairman of the Audit Committee/ Vigilance Officer, at its discretion.

The Protected Disclosures should be submitted in a closed and secured envelope to maintain the required confidentiality and be super-scribed as **“Protected Disclosure under the Vigil Mechanism policy”**.

The 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.

On receipt of the protected disclosures, the Vigilance Officer/the Chairman of the Audit Committee, as the case may be, shall take note of the details of the Protected Disclosure and procure other relevant information before referring the matter to the Audit Committee of the Company. The record will include:

- a) Brief facts about the matter;
- b) Whether the matter under the present Protected Disclosure was raised previously by anyone, and if so, the action taken and outcome thereof;
- c) Whether the same Protected Disclosure was raised against the same subject previously;

d) Details of action taken, if any by the Vigilance Officer/Chairman of Audit Committee.

The protected Disclosure alongwith the report prepared above shall be placed before the Audit Committee at its ensuing Meeting. The Audit Committee may recommend:

a) Obtaining of further information/particulars from complainant/or any other person, as deemed fit

b) Appointment of any another officer/outside agency for carrying out investigation

c) Time allowed for investigation and disposal of the matter.

d) Other actions for an informed investigation and speedy resolution.

The Vigilance officer shall record the findings and recommendations of the Audit Committee for necessary actions in accordance with the same.

INVESTIGATION

1. All protected disclosures reported under this policy will be recorded and thoroughly investigated by the Vigilance Officer/Chairman of the Audit Committee of the Company, who will investigate/ oversee the investigation by involving any other Officer of the Company and/or an outside agency as per its discretion, under the authorization of the Audit Committee. 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.
2. The decision to conduct an investigation of the matter under the Protected Disclosure taken by the Vigilance Officer/Chairman of the Audit Committee 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.
3. The identity of the Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
4. The Subject(s) will be informed in writing of the allegations at the outset of a formal investigation process and shall be given opportunities for providing inputs during the investigation.
5. The Subject(s) shall co-operate and provide all necessary information required by the Vigilance Officer/the Chairman of the Audit Committee or any of the Investigators during the investigation process.

6. The Subject(s) shall have a right to consult any person/persons of their choice, other than the Vigilance Officer/members of the Audit Committee and/or the Complainant and shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
7. The Subject(s) shall not interfere with the investigation process. Evidence, if any, shall not be withheld, destroyed or tampered with and witness (es) shall not be influenced, coached, threatened or intimidated by the subject(s).
8. Unless there are compelling reasons not to do so, subject(s) will be given an opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against the subject(s) shall be considered as maintainable, unless there is good evidence in support of the allegation.
9. The Subject(s) shall 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.
10. The investigation shall be completed within 45 days of the receipt of the Protected Disclosure or within such time frame as may be allowed and recommended by the Audit Committee.

DECISION AND REPORTING

1. The Vigilance Officer/Chairman of the Audit Committee shall submit its report to the Audit Committee for decision. If an investigation leads the Audit Committee to conclude that the improper or unethical act has been committed, it shall recommend to the Management of the Company to take necessary disciplinary or corrective action.
2. 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 however be in accordance with the Policies, Rules and Regulations of the Company.
3. 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 conduct and disciplinary procedures.

4. A **Complainant who** makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Vigilance Officer/Chairman of the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

CONFIDENTIALITY

The complainant, the Vigilance Officer, members of the Audit Committee, the subject and every person involved in the matter/process covered under this policy shall:

1. Maintain confidentiality in all matters under this Policy.
2. Discuss only to the extent or with those persons as required under this policy for completing the process of investigation.
3. Keep relevant documents and papers in safe custody of the Vigilance Officer and relevant electronic mails/files under password.

PROTECTION

1. No unfair treatment will be meted out to the Complainant for having reported a Protected Disclosure under this policy. The Company condemns any kind of discrimination, harassment, victimization or any other unfair employment practice against the Complainants. Complete protection will, therefore, be given to them against any unfair practice like retaliation, threat or intimidation of termination/ suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct their right to continue to perform his duties /functions including making further Protected Disclosures.
2. The company will take steps to minimize difficulties, which the Complainant may experience as a result of making the Protected Disclosure. Thus, if the Complainant is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for them to receive advice about the procedure, etc.
3. The Complainant may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the Management.
4. The identity of the Complainant shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed except where he has himself made his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Complainant, if known, shall remain confidential with those persons

directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena. Whistleblowers are cautioned that their identity may become known for reasons outside the control of the Vigilance Officer / Chairman of the Audit Committee (e.g. during investigations carried out by Investigators).

5. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Complainant.
6. Provided however that the complainant before making a complaint shall have a reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules/regulations of the Company.
7. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

COMMUNICATION

Vigil Mechanism policy cannot be effective unless it is properly communicated to all the directors and employees of the Company. Accordingly, the structuring and adoption of this policy shall be communicated to all the directors by way of individual letters and to the employees by way of a notice on the Notice Board.

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 7 (seven) years or such other period as specified by any other law in force, whichever is more.

ADMINISTRATION AND REVIEW OF THE POLICY

The Chairman of the Board shall be responsible for administration, interpretation, application and review of this policy, who shall also be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part, at anytime without assigning any reason whatsoever. However, no such amendment or modification will be binding on the directors and employees, unless the same is notified to them in writing.