HEG Graphite Limited

Policy for dealing with any leak in unpublished price sensitive information (UPSI) and Whistle-blower policy for employees to report any leak or suspected leak of UPSI

1. Introduction

The Policy for dealing with any leak in unpublished price sensitive information (UPSI) (hereinafter referred to as 'Policy') is framed in terms of Securities and Exchange Board of India (Prohibition on Insider Trading) Regulations, 2015 (hereinafter referred to as 'Insider Trading Regulations') as amended from time to time and shall be effective from April 1, 2019.

2. Objective

The policy aims enabling employees of the Company to report any leak or suspected leak of UPSI, procedures for inquiry in case of leak of UPSI or suspected leak of UPSI and initiate appropriate action and informing the Board of Directors of the Company ('Board') promptly of such leaks, inquiries and results of such inquiries.

3. Whistle-blower policy for employees to report any leak or suspected leak of UPSI

a. The policy applies to all employees of the Company regardless of role or seniority in the Company to enable them to bring to the notice of the Company any leak or suspected leak of UPSI. The Company shall make employees of the Company aware of such whistle blower policy to enable employees to report instances of leak of unpublished price sensitive information as per the prescribed mechanism.

b. **'**Unpublished Price Sensitive Information' (UPSI)

Any information which relates to the Company or its securities, directly or indirectly, that is not generally available and which on becoming available, is likely to materially affect the price of securities of the Company and shall ordinarily include but not restricted to information relating to the following:

a. financial results;
b. dividends;
c. change in capital structure;
d. mergers, de-mergers, acquisitions, delistings, disposals and expansion of business (award or termination of order/contracts not in the normal course of business) and such other transactions;
e. changes in key managerial personnel (other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;)
f. change in rating(s), other than ESG rating(s);
g. fund raising proposed to be undertaken;
h. agreements, by whatever name called, which may impact the management or control of the company;

i. fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad;
j. resolution plan/ restructuring or one-time settlement in relation to loans/borrowings from banks/financial institutions;
k. admission of winding-up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016
l. initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report;
m. action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company;
n. outcome of any litigation(s) or dispute(s) which may have an impact on the company;
o. giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business;
p. granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

Any other information which, considering its materiality and bearing on the Company's operations / performance, may be considered 'price sensitive';

Leak means any transmission of UPSI whether in writing or through any electronic means (including any social messaging applications).

c. Any employee of the Company shall upon becoming aware of any leak or suspected leak of UPSI shall inform the same to Chairman of Audit Committee/ Chairman Managing Director CEO/ Executive Director/CFO, (Investigating Officer) on an immediate basis with adequate supporting data / information.

4. Procedure for inquiry in case of leak or suspected leak of UPSI and initiate appropriate action

a) The Investigating Officer shall undertake the following steps-
   i) Ascertain whether the information leaked or suspected to be leaked amounts to UPSI in consultation with Audit Committee.

   ii) shall take immediate steps to ascertain the extent and impact of the leak of UPSI.

   iii) If the leak is established shall initiate necessary action as per the Company policy.
   iv) Any such leaks of, inquiries and results of such inquiries and actions taken shall be promptly informed to the Board and Audit Committee.

b) If an inquiry has been initiated by the company in case of leak or suspected leak of UPSI, the relevant intermediaries and fiduciaries, if any, shall co-operate with the company in connection with such inquiry conducted by the company.

c) If the leak or suspected leak of UPSI requires any regulatory disclosure under applicable laws the Company shall make the required disclosure to appropriate authorities.

Safeguards against victimization of a Whistle Blower and encouragement for responsible and secure whistle blowing.

1. This Policy strictly prohibits any unfair treatment or any retaliatory action in any form from any of other employees against any Whistle blower and expressly protects the identity of the Whistle Blower subject to the provisions hereunder; however where any Employee uses this Policy for making any false allegation or complaints knowing it to be false shall be deemed to have tarnished the reputation of the Company and thereby committed a major misconduct and accordingly shall be subject to major penalties under the Conduct Rules.

2. The Whistle Blower, Investigating Officer and every employee involved in the Enquiry process shall:
   a. maintain complete confidentiality/ secrecy of the matter;
   b. not discuss the matter in any informal/social gatherings/ meetings;
   c. limit disclosure of information only on need to know basis to other persons only for the purpose of completing the process and investigations;
   d. not keep the papers unattended anywhere at any time;
   e. always keep the electronic mails/files under password.