

**EEL RISK MANAGEMENT POLICY**

**POLICY PURPOSE AND SCOPE**

This policy describes Evans Electric Limited's (EEL) risk management principles and expectations applicable to all types of risk in all activities undertaken by or on behalf of EEL. It also outlines roles and responsibilities for the Board of Directors and all staff.

**PRINCIPLES**

At EEL, a principal risk is defined as the chance of something happening, measured in terms of probability and impact, that may adversely affect the achievement of EEL's strategic or major business objectives.

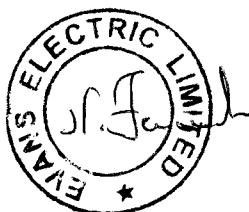
Risk management is a structured and disciplined approach to assessing and managing the uncertainties that EEL faces as it creates value and preserves value.

EEL believes risk taking is a necessary and accepted part of our business. Effectively managing risk is a competitive necessity and an integral part of creating shareholder value through good business practices designed to ensure that EEL achieves its strategic, business and governance objectives, and protects its corporate reputation, values and integrity. In the context of realizing strategic objectives, some amount of failure is an accepted outcome of risk taking as long as risks have been properly assessed and managed.

EEL acknowledges that all activity has an element of risk and that not all risks can or should be transferred. EEL is committed to managing risks including strategic risks, at all levels in the organization and summarizes these risks into three broad categories: operational risk; financial risk; and safety, environmental and regulatory risk. Since many risks can impact EEL reputation, all risks must be evaluated in terms of the potential impact on EEL business and reputation.

**EXPECTATIONS**

EEL's overall risk appetite and risk tolerance will be determined by the Board of Directors in conjunction with the Senior Management.



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Risk will be evaluated, managed and documented consistent with guidelines, tools and framework advocated by this Corporate Risk Management Policy.

In all cases, risk will be evaluated in terms of the impact on the following areas: people, environment, assets, financial/business objectives, and reputation. The risk will be assigned a probability of occurrence, with a resulting risk level ranging from low to extreme.

Risks identified as extreme, high, or medium will require implementation of a risk transfer, reduction, elimination, or exploitation strategy to reduce the residual risk level to as low as reasonably practicable. Risks identified as extreme or high with an impact above a specified threshold will be reported to the Executive Director.

### **RISK MANAGEMENT ROLE AND RESPONSIBILITIES:**

**The Board of Directors is responsible for:**

- Approving and authorizing the Policy.
- Ensuring that a system is in place to identify the principal risks to the Corporation and that the best practical procedures are in place to monitor and mitigate the risks.
- Reviewing the consolidated quarterly and annual risk reports that identify the principal risks to the Corporation and the mitigation strategies in place.

**The Executive Director is responsible for:**

- Identifying all significant risks to the EEL's businesses and ensuring that procedures are established to mitigate the impact of the risks in the best interest of shareholders.
- Appointing or recommending the appointment of the Chief Risk Officer, as applicable.

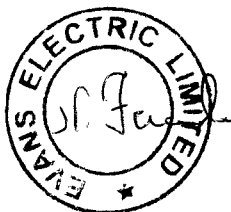
### **COMMITTEES**

The Board of Director is collectively responsible for developing the EEL's risk management principles and risk management expectations as well as defining the EEL's risk appetite and tolerances.

Risk management committees may be established by Board of Directors to address specific risk areas.

### **AUTHORITY**

Unless otherwise noted in this Policy, any significant exceptions to this Policy require the approval of Board of Directors.



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### **Preface:**

M/s Evans Electric Limited, the Company, believe in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

The Company is committed to develop a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.

### **Purpose:**

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company.

The policy neither releases employees from their duty of confidentiality in the course of their work, nor is a route for taking up a grievance about a personal situation.

### **Policy:**

This Policy is for the Employees of Evans Electric Limited as defined hereinafter.

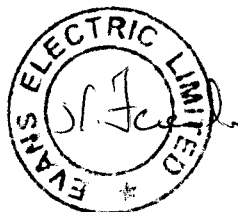
The Policy has been drawn up so that Employees can be confident about raising a concern.

### **Definitions:**

- 1) **“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 and read with the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, where applicable.
- 2) **“Disciplinary Action”** means any action that can be taken on the completion of /during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- 3) **“Employee”** means every employee of the Company.
- 4) **“Ombudsperson”** will be an authorized person for the purpose of receiving all complaints under this Policy and ensuring appropriate action. In the first instance, the Board recognize the chairman of Audit Committee as Ombudsperson.
- 5) **“Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- 6) **“Subject”** means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- 7) **“Whistle Blower”** is someone who makes a Protected Disclosure under this Policy.
- 8) **“Whistle Officer” or “Committee”** means an officer or Committee of persons who is nominated/ appointed to conduct detailed investigation.

### **Guiding Principles:**

To ensure that this Policy is adhered to and to assure that the concern will be acted upon seriously, the Company will;



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- 1) Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;
- 2) Treat victimization as a serious matter including initiating disciplinary action on such person/(s);
- 3) Ensure complete confidentiality.
- 4) Not attempt to conceal evidence of the Protected Disclosure;
- 5) Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
- 6) Provide an opportunity of being heard to the persons involved especially to the Subject;

### **Coverage of Policy:**

The Policy covers malpractices and events which have taken place/ suspected to take place involving:

- 1) Abuse of authority
- 2) Breach of contract
- 3) Negligence causing substantial and specific danger to public health and safety
- 4) Manipulation of company data/records
- 5) Financial irregularities, including fraud, or suspected fraud
- 6) Criminal offence
- 7) Pilferation of confidential/propriety information
- 8) Deliberate violation of law/regulation
- 9) Wastage/misappropriation of company funds/assets
- 10) Breach of employee Code of Conduct or Rules
- 11) Any other unethical, biased, favored, imprudent event

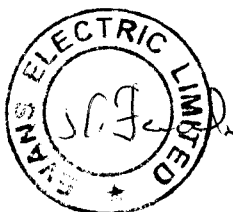
Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

### **Disqualifications:**

- 1) While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- 2) Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a *mala fide* intention.
- 3) Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide*, *frivolous* or *malicious*, shall be liable to be prosecuted as per existing policy of the Company.

### **Manner in which concern can be raised:**

- 1) Employees can make Protected Disclosure to Ombudsperson, as soon as possible but not later than 30 consecutive days after becoming aware of the same.
- 2) The Contact details of the Ombudsperson are as under:



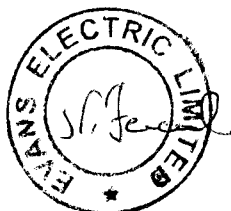
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The Chairman  
Audit Committee  
Evans Electric Limited

- 3) Whistle Blower must put his/her name to allegations. Concerns expressed anonymously WILL NOT BE investigated.
- 4) If initial enquiries by the Ombudsperson indicate that the concern has no basis, or it is not a matter to be investigation pursued under this Policy, it may be dismissed at this stage and the decision will be documented.
- 5) Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Ombudsperson alone, or by a Whistle Officer/Committee nominated by the Ombudsperson for this purpose. 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 would be made.
- 6) Name of the Whistle Blower shall not be disclosed to the Whistle Officer/Committee.
- 7) The Ombudsperson/Whistle Officer/Committee shall:
  - a. Make a detailed written record of the Protected Disclosure. The record will include:
    - i. Facts of the matter
    - ii. Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
    - iii. Whether any Protected Disclosure was raised previously against the same Subject;
    - iv. The financial/ otherwise loss which has been incurred / would have been incurred by the Company.
    - v. Findings of Ombudsperson/Whistle Officer/Committee;
    - vi. The recommendations of the Ombudsperson/Whistle Officer/Committee on disciplinary/other action/(s).
  - b. The Whistle Officer/Committee shall finalise and submit the report to the Ombudsperson within 45 days of being nominated /appointed.
- 8) On submission of report, the Whistle Officer /Committee shall discuss the matter with Ombudsperson who shall either:
  - a. In case the Protected Disclosure is proved, accept the findings of the Whistle Officer /Committee and take such Disciplinary Action as he may think fit and take preventive measures to avoid reoccurrence of the matter;
  - b. In case the Protected Disclosure is not proved, extinguish the matter;

### **Protection:**

- 1) No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blower. Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform



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his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

- 2) The identity of the Whistle Blower shall be kept confidential.
- 3) Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

### **Secrecy/Confidentiality:**

The Whistle Blower, the Subject, the Whistle Officer and everyone involved in the process shall:

- 1) maintain complete confidentiality/ secrecy of the matter
- 2) not discuss the matter in any informal/social gatherings/ meetings
- 3) discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- 4) not keep the papers unattended anywhere at any time
- 5) keep the electronic mails/files under password

If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

### **Amendment:**

The Company has the right to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever. However, no such amendment or modifications will be binding on the employees unless the same is notified to the employees in writing.

### **Reporting & Disclosure:**

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

Further, suitable disclosure of the policy shall be made in the Board Report and the policy will be uploaded on the Web site of the Company.

