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Mac Charles (India) Limited

Whistle Blower Policy

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Preface

Mac Charles (India) Limited (hereinafter “MCIL”) and Code of Conduct and Compliance Policy requires Directors, Officers and Employees to observe high standard of business and personal ethics in conduct of their duties and responsibilities. As Employees/Directors/Officers and representatives of the Company, they must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations.

The Company seeks to encourage an open, ethical and compliant culture and welcomes employees sharing their genuine concerns regarding substantive risks, wrong doing or non-compliance to help achieve this aim.

Section 177 of the Companies Act, 2013 read with rules made thereunder and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”) requires specified company to establish a vigil mechanism for Directors and Employees to report genuine concerns. It has also been prescribed that the vigil mechanism should also provide for adequate safeguards against victimization of Director(s) or Employee(s) or any other person who use such mechanism and should have provisions for direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.

Further, Regulation 4 (2)(d)(iv) of the Listing Regulations, inter alia, provides entities shall devise an effective whistle blower mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

This Vigil Mechanism Policy is framed in context of these statutory requirements and to put in place an appropriate framework for this purpose.

Objective:

The purpose of the Vigil Mechanism Policy is to enable a person who observes an unethical practice/non-compliance to approach the Company without necessarily informing their supervisors, if they so choose. The policy aims to

- Provide an environment/integrity culture where every employee feels empowered to raise policy violations and integrity concerns and has the confidence that those concerns will be addressed without retaliation.
- Maintain ability for employees to raise concerns without fear: foster a productive environment.
- Ensure an objective process to investigate concerns promptly and a target average closure date of 45 days: prohibit retaliation and maintain confidentiality.
- Take prompt corrective action to fix identified compliance and other system weaknesses.
- Establish accountability for actions/closure of corrective actions.
- Ensure appropriate closure with complainant.

This Policy governs reporting and investigation of allegations of suspected serious irregularities within the Company. This Policy assures protection to the Employees/Directors/Officers raising a concern about such irregularities from any negative consequences. In all instances the appropriate investigation process would be followed.

This Policy recognizes the possibility for leakage or abuse of information relating to complaints which may risk damaging reputations. The Policy therefore requires the strictest confidentiality to be maintained in all respects (i.e. that there is an allegation, what is alleged, who has or may have made the allegation and against whom) and by all parties. It is further clarified that the Policy neither releases Employees/Directors/Officers from their duty of confidentiality in the course of their work, nor is it a route for taking up grievances about personal matters. Requests of a personal nature shall not be entertained through this mechanism and any complaints which are found to be motivated may lead to the invocation of disciplinary procedures as per Company policies.

This Policy should be read in conjunction with existing instructions of the Government of India issued from time to time under Companies Act, 2013, the Listing Regulations and/or any other provisions as applicable to the Company.

Applicability

All employees and Directors of the Company are covered under this policy. If any Whistle Blower observes malpractices or events mentioned herein below he/she may without any fear of retribution blow the whistle and raise an alarm. The Policy presumes that all MCIL Employees/Directors/Officers will follow the Code of Conduct/Compliance Policy of the Company as may be applicable.

The Policy has been drawn up so that Whistle Blowers are eligible to make Protected Disclosure under the Policy. The Protected Disclosure may be areas of concern concerning MCIL covered by this Policy.

Definitions

“Audit and Risk Management Committee” means the Audit Committee constituted by the Board of Directors of MCIL in accordance with the provisions of Section 177 of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Reserve Bank of India’s guidelines.

“Company/MCIL” means **Mac Charles (India) Limited.**

“Employee” means every employee of MCIL including Whole-time Directors.

“Disciplinary Action” means any action that can be taken on the completion of / during the investigation proceedings, including but not limited to, a warning, recovery of financial losses incurred by MCIL, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

“Protected Disclosure” means a concern raised preferably by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity with respect to MCIL. 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.

“Subject” means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

“Whistle Blower” means Employee and / or any other person dealing with MCIL making a Protected Disclosure under this Policy.

“Whistle Blower Investigating Officer” means an officer appointed by the Audit Committee to conduct investigation in the matter of Protected Disclosure made by Whistle Blower.

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 or any obligation towards Company;
3. Manipulation of the Company’s data/records;
4. Financial or compliance irregularities, including fraud, or suspected fraud;
5. Criminal offence having repercussions on MCIL or its reputation;
6. Pilferation of confidential/proprietary information or breach of confidentiality obligation;
7. Deliberate violation of law/regulation;
8. Misappropriation or misuse of the Company’s funds/assets;
9. Breach of employee Code of Conduct or Rules or any other Policy of the Company;
10. Any other unethical, imprudent deed/ behavior.

Policy should not be used as a route for raising malicious or unfounded allegations against colleagues.

Protection to Whistle Blowers

No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. MCIL, 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, 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 his duties/functions including making further

Protected Disclosure. MCIL will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.

The identity of the Whistle Blower shall be kept confidential.

Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

Protection under this Policy is available provided that:

- a. the communication/disclosure is made in good faith;
- b. S/he reasonably has bases that information, and any allegations contained in it, are substantially true; and
- c. S/he is not acting for personal gain or animosity against Subject.

Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide*, *frivolous* or *malicious* shall be liable to disciplinary action under the Company's Code of Conduct.

Reporting Mechanism

All Protected Disclosures should be addressed to the Whistle Blower Investigating Officer. The contact details of Whistle Blower Investigating Officer are as under:

Whistle Blower Investigating Officer,

MAC CHARLES (INDIA) LIMITED

1st Floor, Embassy Point, Infantry Road, Bangalore – 560 001

e-mail: investor.relations@maccharlesindia.com

Protected Disclosures against Whistle Blower Investigating Officer can be sent directly to Chairman of the Audit Committee at the following address.

The Chairman

Audit Committee

MAC CHARLES (INDIA) LIMITED

1st Floor, Embassy Point, Infantry Road, Bangalore – 560 001

e-mail: investor.relations@maccharlesindia.com

Protected Disclosures should be reported in such a manner so as to ensure a clear understanding of the issues raised. It may either be typed or written in a legible handwriting preferably in English or Hindi. While, Protected Disclosures can also be submitted in other language.

Whistle Blower Investigating Officer shall upon receipt of Protected Disclosure conduct investigation in the manner prescribed in the Policy.

The Whistle Blower must disclose his/her identity while forwarding such Protected Disclosure.

Investigation Process

Whistle Blower Investigating Officer shall appropriately and expeditiously investigate all whistle blower reports received. In this regard, Whistle Blower Investigating Officer may perform all such acts as it may deem fit at its sole discretion, including, the following functions:

- (i) to obtain legal or expert view in relation to Protected Disclosure;
- (ii) appoint external agency to assist in investigation;
- (iii) seek assistance of internal auditor;
- (iv) request CEO, CFO or Compliance Head or any other officer of MCIL to provide adequate financial or other resources for carrying out investigation
- (v) seek explanation or solicit Subject's submission on Protected Disclosure or give reasonable opportunity to respond to Subject on material findings contained in investigation report.
- (vi) to call for any information /document and explanation from any employee of MCIL or other person(s) as they may deem appropriate for the purpose of conducting investigation.

Each enquiry/investigation shall be completed by the nominated/appointed Whistle Blower Investigating Officer as soon as is reasonably possible, ordinarily at an average of 45 days from the receipt of concern/allegation. In case the same cannot be completed within the stipulated period, an interim report should be submitted giving, inter-alia, the tentative date of completion further the status of the same should also be reported to the Audit Committee until the final closure..

The Audit Committee shall have all powers and authorities to effectively implement this Policy. The Audit Committee shall also have right to outline detailed procedure for an investigation and may delegate such powers and authorities, as it may deems fit to Whistle Blower Investigating Officer or such other officers of the Company for carrying out investigation. In the event of investigation against Whistle Blower Investigating Officer, the Audit Committee may designate any other officer(s) to conduct investigation and such officer(s) shall be vested with the powers listed in this policy and shall follow the similar procedure as prescribed herein.

Whistle Blower Investigating Officer shall mandatorily adhere to procedure outlined by Audit Committee for investigation.

Subject shall have a duty to co-operate with the investigator and responsibility not to interfere or obstruct with the investigation process.

Upon completion of Investigation, Whistle Blower Investigating Officer shall determine the cause of action emanating from the Protected Disclosure which requires Disciplinary Action against the Subject. Thereafter, Whistle Blower Investigating Officer shall circulate details of such Investigation to a Audit Committee which shall Disciplinary Action to be taken against the Subject. In case where the Protected Disclosure is against any of the committee member then such member shall not participate in any of the discussion.

A Whistle Blower Investigating Officer shall maintain records of all Protected Disclosures received by him. He shall prepare a consolidated report containing brief details of Protected Disclosures, investigation, outcome of the investigation, disciplinary action etc. and the same shall be presented to the Audit Committee for its consideration. After considering the report, the Audit Committee may direct further steps/ actions to be taken by Whistle Blower Investigating Officer in this regard.

All complaints received during a quarter shall be reported to the Audit Committee in its ensuing meeting.

Confidentiality & Protection: The Whistle Blower, the Subject, Whistle Blower Investigating Officer and everyone involved in the process shall:

- a. maintain complete confidentiality/ secrecy of the matter under this Policy
- b. not discuss the matters under this Policy in any informal/social gatherings/ meetings
- c. discuss only to the extent or with the persons required for the purpose of completing the process and investigations as directed by Audit Committee
- d. not keep the relevant papers unattended anywhere at any time
- e. 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.

All Protected Disclosures or documented along with the results of Investigation relating thereto shall be retained by MCIL for a minimum period of 5 (five) years or as mentioned in applicable law, if any.

Any difficulties or ambiguities in implementation of this Policy will be resolved in line with the broad intent of the Policy. The Company may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance. The Company may make available to Employees or other stakeholders other channel/ facilities to report Protected Disclosure.

Disqualifications from protection:

- a. 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.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of any false or bogus allegation made by a Whistle Blower knowing it to be false or bogus or with a *mala fide* intention.
- c. In case of repeated frivolous complaints being filed by a Director or an Employee, the audit committee may take suitable action against the concerned Director or Employee including reprimand.

- d. This policy does not protect an employee from an adverse action which occurs independent of his/her disclosure under this policy or for alleged wrongful conduct, poor job performance, any other disciplinary action, etc. unrelated to a disclosure made pursuant to this policy.

Remedies & Discipline:

If the Audit Committee determines that non-compliance has occurred or a Malpractice is proved, it will take the following action to correct it:

1. Any person found guilty under investigation will be subjected to disciplinary action up to and including termination of employment.
2. During the investigation period or at any time thereafter, if any Employees/Director/Officer is found to be (a) retaliating against the Whistle Blower, (b) coaching witnesses, or (c) tampering with evidence, then it would lead to severe disciplinary action including termination of employment.

Reporting

The Audit Committee may at its sole discretion submit a report to the Board on Protected Disclosures together with results of investigations, disciplinary actions recommended and implemented.

Amendments to the policy

The policy shall be reviewed annually or at earlier intervals, if necessary. Consequent upon any changes in law/rules/regulation/regulatory guidelines etc., such changes shall be deemed to be a part of the policy until the policy is reviewed and approved next time.

Notwithstanding anything contained in this Policy, in case of any contradiction of the provision of this Policy with any existing legislations, rules, regulations or laws the provisions of such law, legislation, rules, regulation or enactment shall prevail over this Policy.

Disclosure of the policy

This Policy shall be disclosed in the annual report of the Company and posted on the website of the Company, if required under the Companies Act, 2013 and rules thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and any other regulatory requirements.
