

CLARIS LIFESCIENCES LIMITED

VIGIL MECHANISM POLICY / WHISTLE BLOWER POLICY

1. INTRODUCTION

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, every listed company or a company which accept deposits from the public or companies which have borrowed money from banks and public financial institutions in excess of fifty crores rupees, shall establish a vigil mechanism for their directors and employees to report genuine concerns or grievances.

Claris Lifesciences Limited (the “**Company**”) has amended this ‘Vigil Mechanism Policy / Whistle Blower Policy’ (the “**Policy**”) for directors and employees to report to the management their genuine concerns or grievances; and to enable the directors and employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

This Policy is applicable with effect from March 22, 2018 and replaces the earlier policy which was effective from December 1, 2015, and was valid up to March 21, 2018.

2. OBJECTIVES/ PURPOSE

- 2.1 The Company believes that any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The Company is committed to provide a platform/ framework under which a director or an employee of the Company is able to report their genuine concerns and grievances. The concerns or grievances may be relating to work behavior/ ethics/ practices, working conditions, management ethics/ practices, business ethics/ practices, actual or suspected fraud, misappropriation of monies, actual or suspected malpractices, misuse or abuse of authority, violation of company rules, manipulations, negligence, and other such activities of reasonably negative nature which may be seen to tarnish the image of the organization, its products, its social image, employee morale and employee’s safety at the workplace.
- 2.2 A vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the Chairperson of the Audit Committee in exceptional cases.
- 2.3 To achieve these objectives, the Company hereby notifies the Vigil Mechanism Policy / Whistle Blower Policy (hereinafter referred to as the “**Policy**”) to essentially provide a platform/ framework under which a director or an employee of the Company is able to report their genuine concerns or grievances; and to enable the directors and employees

and their representative bodies, to freely communicate their concerns about illegal or unethical practices. The Policy is applicable to all the directors and employees of the Company. This amended Policy shall be effective from March 22, 2018.

3. DEFINITIONS

- 3.1 **“Audit Committee”** or the **“Committee”**, as the case may be, means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013;
- 3.2 **“Code”** means the Code of Conduct for Business Conduct and Ethics adopted by the Company which lays down the principles and standards that should govern the actions of the Company and its employees;
- 3.3 **“Director”** means a person, as defined in Section 2(34) of the Companies Act, 2013;
- 3.3 **“Employee”** means an employee/ a person who is on the payroll of the Company (whether working in India or abroad) and includes a director in the employment of the Company;
- 3.4 **“Protected Disclosure”** means any communication made by a Whistle Blower in good faith that reports, discloses or demonstrates his genuine concerns or grievances. The concerns or grievances may be relating to work behavior/ ethics/ practices, working conditions, management ethics/ practices, business ethics/ practices, actual or suspected fraud, misappropriation of monies, actual or suspected malpractices, misuse or abuse of authority, violation of company rules, manipulations, negligence, and other such activities of reasonably negative nature which may be seen to tarnish the image of the organization, its products, its social image, employee morale and employee’s safety at the workplace. But it does not cover actions arising out of false or mala fide intention;
- 3.5 **“Whistle Blower”** means a Director or an Employee or group of Employees making a Protected Disclosure under this Policy.
- 3.6 Other terms and expressions may be defined elsewhere in this Policy, and unless otherwise indicated, shall have such meaning throughout this Policy.
- 3.7 Unless the context of this Policy otherwise requires:
- (a) Words indicating singular number shall include the plural number and vice versa.
 - (b) Words importing masculine gender shall include feminine gender and neuter gender and vice versa.

- (c) Reference to “he”, “him”, “his” includes “her”, “she”, ‘it’, “its”, “they” or “them”, as the case may be.

4. ELIGIBILITY

All Directors and Employees of the Company are eligible to make Protected Disclosure under the Policy.

5. APPLICABILITY

This Policy will remain current until withdrawn and communicated.

6. POLICY

This Policy and process document defines the scope of actions and activities which are covered by the Policy and its purpose.

7. REPORTING PROCEDURE

7.1 A complainant before making a complaint under this Policy ought to have a reasonable belief that an issue exists and that he has acted in good faith. Any complaint not made in good faith as assessed as such by the Committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the rules/ certified standing orders of the Company. Further, any other Employee assisting in the investigation shall also be protected to the same extent as the Whistle Blower.

7.2 (a) All Protected Disclosures should be addressed to the Committee for investigation.

(b) The Committee will report to the Managing Director/ Chairman of the Company.

(c) Any grievance or Protected Disclosure against any member of the Committee should be addressed to the Managing Director/ Chairman of the Company.

(d) Any grievance or Protected Disclosure against the Managing Director/ Chairman of the Company should be addressed to the Committee.

7.3 Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the concerns or grievances raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Vigil Mechanism.

- 7.4 As the Whistle Blower has several means of reporting, a Whistle Blower need never report to someone whom he believes may be involved in the suspected violation or from whom he would fear retaliation.

The Whistle Blower may write to the Committee by way of a typewritten or legible handwritten complaint letter signed by the complainant and put in a sealed envelope bearing the mark/ inscription "PROTECTED DISCLOSURE" and delivered to any member of the Committee. The complaint letter shall contain proper description and details of the complaint and evidence to the extent possible.

Alternatively, the Whistle Blower may write to the Committee by sending an email to any member of the Committee containing proper description and details of the complaint and evidence to the extent possible. The email shall bear the subject "PROTECTED DISCLOSURE".

- 7.5 The report or the complaint of the Whistle Blower shall include as much information about the suspected violation as he can provide. Where possible, he should describe the nature of the suspected violation; the identities of persons involved in the suspected violation; a description of documents that relate to the suspected violation; and the time frame during which the suspected violation occurred. Where a Whistle Blower has not reported anonymously, he may be contacted for further information.

- 7.6 In case, a Protected Disclosure is received by any executive of the Company other than a member of the Committee or the Chairman of the Committee, the same should be forwarded to the Committee or to the Chairman of the Committee for further appropriate action.

- 7.7 As a rule, anonymous complaints shall not be entertained.

- 7.8 Mr. Anup P. Shah, an Independent Director of the Company, is the Chairman of the Committee. The contact details of the Chairman of the Committee and Mr. Chandrasingh Purohit who is also a member of the Committee and an Executive Director of the Company are as under:

Name : **MR. ANUP P. SHAH**
Designation : Chairman
Email ID : vigilmechanism.corp@clarislifesciences.com

Name : **MR. CHANDRASINGH PUROHIT**
Designation : Member
Email ID : vigilmechanism.corp@clarislifesciences.com

8. INVESTIGATION

- 8.1 All Protected Disclosures reported under this Policy will be thoroughly investigated and all information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable law by the Committee or to its Chairman.
- 8.2 Everyone working for or with the Company has a duty to co-operate in the investigation of reports of violations. Failure to co-operate in an investigation, or deliberately providing false information during an investigation, can be the basis for disciplinary action, including termination of employment. If, at the conclusion of its investigation, the Company determines that a violation has occurred, the Company will take effective remedial action commensurate with the nature of the offense. This action may include disciplinary action against the accused party, up to and including termination. Reasonable and necessary steps will also be taken to prevent any further violations of Company's policy.
- 8.3 The Committee may meet the Whistle Blower, if necessary. It may also appoint any suitable person or group of persons to investigate the case, but will ensure that the identity of the Whistle Blower is protected.

9. DECISION

- 9.1 The Committee will decide the case and recommend suitable action (which may be disciplinary, corrective or otherwise) to the Managing Director/ Chairman of the Company. The final action to be taken will be decided by the Managing Director/ Chairman of the Company.

It is clarified that any action initiated pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

- 9.2 The analysis of the case and the action to be taken may not be communicated to the Whistle Blower.
- 9.3 The Committee shall submit a report to the Chairman of the Committee on a regular basis about all Protected Disclosures referred to it since the last report together with the results of investigations, if any.
- 9.4 If the report of investigation is not to the satisfaction of the Whistle Blower, he has the right to report the event to the appropriate legal or investigating agency.
- 9.5 A Whistle Blower who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Committee or any member thereof or the

Chairman of the Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

- 9.6 In case of repeated frivolous complaints being filed by a Director or Employee, the Committee may take suitable action against the concerned Director or Employee including reprimand.

10. SECRECY/ CONFIDENTIALITY

- 10.1 The identity of the Whistle Blower will be protected and shall be known only to the Committee.
- 10.2 The Whistle Blower, the members of the Committee, the Directors, Employees and everybody involved in the process shall:
- (a) Maintain confidentiality of all matters under this Policy.
 - (b) Discuss only to the extent or with those persons as required under this Policy for completing the process of investigation.
 - (c) Not keep the papers unattended anywhere at any time.
 - (d) Keep the electronic mails/ files under password.

11. PROTECTION

- 11.1 No unfair treatment will be meted out to a Whistle Blower by virtue of him 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 a Whistle Blower. Complete protection will, therefore, be given to the Whistle Blower 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 the Whistle Blower's right to continue to perform 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.
- 11.2 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.

12. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

12.1 The Whistle Blower shall have right to access Chairman of the Committee directly in exceptional cases and the Chairman of the Committee is authorized to prescribe suitable directions in this regard.

13. COMMUNICATION

13.1 This Policy cannot be effective unless it is properly communicated to the Directors and Employees. Directors and Employees shall be informed through by publishing on the Notice Board and the website of the Company.

14. RETENTION OF DOCUMENTS

14.1 All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a period of 7 (seven) years or such other period as specified by the relevant law in force, whichever is more.

15. ADMINISTRATION AND REVIEW OF THE POLICY

15.1 The Managing Director shall be responsible for the administration, interpretation, application and review of this Policy. The Managing Director shall also be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Committee.

16. AMENDMENT/ MODIFICATION

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

17. DISCLOSURE

17.1 The Company shall disclose the details of establishment of this Policy on its website and in the Board of Director's Report pursuant to Section 177(10) of the Companies Act, 2013.