

Vigil Mechanism (Whistle Blower Policy)

Of

M/s. LINCOLN PHARMACEUTICALS LTD

A. Introduction

- i. The Company is committed to comply with the domestic and foreign laws, if any that apply to it, particularly ensuring that the business is conducted with integrity and that the Company's financial information is accurate.
- ii. The Company believes 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 behaviour. Towards this end, the Company has adopted the Code of Conduct ("the Code"), which lays down the principles and standards that should govern the actions of the Company and its employees. 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 role of the employees in pointing out such violations of the Code cannot be undermined.
- iii. Section 177(9) of the Companies Act, 2013 (Act) and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49(II)(F) of the Listing Agreement, provides for the institution of the Vigil Mechanism (Whistle Blowing Policy) in the Listed companies, for Employees and Directors to report to the Management their genuine concerns and grievances, instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct, in turn to be monitored by the Audit Committee
- iv. This Vigil Mechanism ("the Policy") has been formulated with a view to provide a mechanism for employees and Directors of the Company to approach the Audit Committee/the Ombudsperson designated by the Audit Committee for the same and/or the Chairman of the Audit Committee of the Company (in exceptional cases) to report unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct and matters specified in this Policy.
- v. The Policy provides for adequate safeguards against victimisation of employees and directors wishing to raise a concern about serious irregularities within the Company.
- vi. The Policy neither releases Employees and Directors from their duty of confidentiality in the course of discharging their duties, nor is it a route for taking up a grievance about a personal situation

B. Definitions

The definitions of some of the key terms used in this Policy are given below. Capitalised terms not defined herein shall have the meaning assigned to them under the Code and the Companies Act, 2013 and related rules therein.

- i. **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 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49(III) of the Listing Agreement.
- ii. **Alleged wrongful conduct:** mean violation of law, Infringement of Company's Code of Conduct, mismanagement, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.
- iii. **Director:** means a person appointed as the Director on the Board of Directors of the Company.
- iv. **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 the official duties or any such action as is deemed to be fit considering the gravity of the matter
- v. **Employee:** means every employee of the Company.
- vi. **Code:** means the Code of Conduct.
- vii. **Good Faith:** An employee shall be deemed to be communicating in 'good faith' if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.
- viii. **Investigator:** mean those persons authorised, appointed, consulted or approached by the Audit Committee or by the Ombudsperson designated by the Audit Committee for the same and includes the Statutory and/or Internal Auditors of the Company and the Police.
- ix. **Ombudsperson:** will be a Non-Executive Director/Head of Human Resource (HR)/Company Secretary/CFO/Departmental Head or any

other person for the purpose of receiving all the complaints under this Policy and ensuring appropriate action. In the first instance, the Audit Committee shall appoint this Ombudsperson. Audit Committee shall have the authority to change the Ombudsperson from time to time

- x. **Protected Disclosure:** means any written or anonymous communication (including email) made in good faith that discloses or demonstrates information that may evidence unethical or improper activity
- xi. **Subject:** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation
- xii. **Whistle Blower:** means an Employee and/or a Director making a Protected Disclosure under this Policy.

C. Guiding Principles

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

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

D. Scope

- i. This Policy is an extension of the Company's Code of Conduct. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case
- ii. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Chairman of the

Audit Committee

- iii. Protected Disclosure will be appropriately dealt with by the Audit Committee or an Ombudsperson designated by the Audit Committee for the same (hereinafter referred to as “relevant authority”), as the case may be
- iv. The Policy covers malpractices and events which have taken place/suspected to take place involving:
 - a) Abuse of authority for personal gain or obtaining undue advantage or to prevent or deprive another of its rights or to the detriment of the Company
 - b) Negligence causing substantial and specific danger to public health and safety
 - c) Manipulation / unauthorized use or disposal of company data/records
 - d) Financial irregularities, including fraud, or suspected fraud
 - e) Criminal offence
 - f) Pilferation of goods, property, confidential/proprietary information
 - g) Deliberate violation of law/regulation
 - h) Wastage/misappropriation of company funds/assets
 - i) Breach of employee Code of Conduct or Rules
 - j) Any other unethical, biased, favoured, imprudent event
 - k) Any unlawful act whether criminal/ civil
 - l) Breach of company policy or failure to implement.
 - m) Breach of Contract
- v. Policy should not be used in place of the Company Grievance Procedures or be a route for raising malicious or unfounded allegations against colleagues or superiors

E. Eligibility

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

F. Disqualifications

- i. 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 a disciplinary action
- ii. Protection under this Policy would not mean protection from the 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
- iii. However, the disciplinary action would be taken based on the principles of the natural justice and only after giving the reasonable opportunity to the concerned subject to be heard
- iv. Whistle Blowers, who make any Protected Disclosure/s, which have been subsequently found to be mala fide or malicious or Whistle Blowers who make three or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy for a period of Six months from the third such reporting and the relevant authority may take suitable action against the concerned Whistle Blower(s) including reprimand.

G. Manner in which concern can be raised

- i. Employees can make Protected Disclosure to the relevant authority, as soon as possible after becoming aware of the same.
- ii. For the purpose of providing the protection to the Whistle Blower, it is preferred that the Whistle Blower should disclose his/her identity in the covering letter forwarding such Protected Disclosure.
- iii. Protected Disclosures should be reported in writing (including email) so as to ensure a clear understanding of the issues 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 Whistle Blower.
- iv. The Protected Disclosure should be forwarded under a Covering Letter which shall preferably bear the identity of the Whistle Blower. The relevant authority shall detach the Covering Letter and forward only the Protected Disclosure to the Investigators for investigation
- v. The Protected Disclosure must contain atleast of the following:

- a) Name, address and contact details of the Whistle blower.
 - b) Brief description of the Malpractice, giving the names of those alleged to have committed or about to commit a Malpractice. Specific details such as time and place of occurrence are also important.
- vi. In case of letter, the disclosure should be sealed in an envelope marked “Whistle blower” and addressed to the relevant authority. 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
 - vii. All Protected Disclosures concerning Financial/Accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation
 - viii. In respect of all other Protected Disclosures, those concerning the employees at the levels of Vice Presidents and above should be addressed to the Chairman of the Audit Committee of the Company and those concerning other employees should be addressed to the Audit Committee / Ombudsperson designated by the Audit Committee for the same of the Company. However direct access to the Chairperson of the Audit Committee is also allowed in exceptional cases.
 - ix. The contact details of the Ombudsperson / Chairman of the Audit Committee should be made available to all the employees and Directors of the Company by any means as may be decided by the audit Committee.
 - x. If a Protected Disclosure is received by any Executive of the Company other than relevant authority, the same should be forwarded to the respective authority for further appropriate action
 - xi. If initial enquiries by the respective Authority indicate that the concern has no basis, or it is not a matter to be investigated pursuant to this Policy, it may be dismissed at that stage and the decision shall be documented and communicated to the Whistle Blower whose identity is known.
 - xii. Where initial enquiries indicate that further investigation is necessary, the investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt or wrong doing. A written report of the findings would be made
 - xiii. The Relevant Authority shall:
 - a) Make a detailed written record of the Protected Disclosure. The record will include:
 - Facts of the matter

- Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- Whether any Protected Disclosure was raised previously against the same Subject, and if so, the outcome thereof;

H. Investigation

- i. All Protected Disclosures reported under this Policy will be thoroughly investigated by the relevant authority, which will investigate / oversee the investigations.
- ii. The relevant authority may at its discretion, consider involving internal Functions/employees and/or outside Investigators for the purpose of investigation.
- iii. The decision to conduct an investigation taken by the relevant authority 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 Whistle Blower that an improper or unethical act was committed
- iv. The identity of a Subject and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation
- v. Subject will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing his/her inputs during the investigation
- vi. Subject shall have a duty to co-operate with the relevant authority or any of the Investigators during the investigation to the extent that such co-operation will not compromise self-incrimination protections available to the Subject under the applicable laws
- vii. Subject has a right to consult with a person or persons of his/her choice, other than the relevant authority and/or the Whistle Blower.
- viii. Subject has a responsibility not to interfere with the investigation
- ix. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, coerced, threatened or intimidated by the Subject
- x. Unless there are compelling reasons not to do so, Subject will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is an evidence in support of the allegation

- xi. Subjects have a right to be informed of the outcome of the investigation.
- xii. The investigation shall be completed normally within 30 days of the receipt of the Protected Disclosure, in exceptional cases the same may be extended as thought fit by the relevant authority.
- xiii. The investigation may involve study of documents and interviews with various individuals. Any person required to provide documents, access to systems and other information by the relevant authority for the purpose of such investigation shall do so. Individuals with whom the relevant authority requests an interview for the purposes of such investigation shall make themselves available for such interview at reasonable times and shall provide the necessary co-operation for such purpose.

I. Safeguards against Victimisation

- i. 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 practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to the Whistle Blowers 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 Disclosures. 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.
- ii. A Whistle Blower may report any violation of the above clause to the relevant authority, who shall investigate into the same and recommend a suitable action to the Management
- iii. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law
- iv. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower
- v. The protection is available provided that:
 - a) The communication/disclosure is made in good faith
 - b) He/She reasonably believes that information, and any allegations contained in it, are substantially true; and
 - c) He/She is not acting for personal gain.

J. Investigators

- i. Investigators are required to conduct fact-finding and analysis methodically. Investigators shall derive their authority and rights from the Audit Committee when acting within the course and scope of their investigation
- ii. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour, and observance of legal and professional standards
- iii. Investigations will be launched only after a Preliminary Review by the relevant authority, which establishes that:
 - a) the alleged act constitutes an improper or unethical activity or conduct, and
 - b) the allegation is supported by the information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of Management review. Provided that such investigation should be undertaken as an investigation of an improper or unethical activity or conduct

K. Decision

If an investigation leads the relevant authority to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Management of the Company to take such disciplinary or corrective action as the he/she may deem fit. 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 adhere to the applicable personnel or staff conduct and disciplinary procedures as per the Disciplinary Policies of the Company

L. Final Reporting

- i. The Ombudsperson (if any) shall submit a report to the Chairman of the Audit Committee on a quarterly basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.
- ii. Audit Committee in turn shall submit a report to the Chairman of the Board on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any
- iii. Board of Directors shall disclose the details of the establishment and

operation of the Vigil Mechanism (Whistle blowing) in the Directors Report as well as on the website of the Company.

M. 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 period as may be prescribed under applicable laws

ANNUAL AFFIRMATION:

The Company shall annually affirm that it has not denied any personnel access to the Audit Committee and that it has provided protection to the Complainant from victimisation.

i. ACCOUNTABILITIES – WHISTLEBLOWERS

- a) Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence and also financial loss for the company.
- b) Avoid anonymity when raising a concern.
- c) Follow the procedures prescribed in this policy for making a Disclosure.
- d) Co-operate with investigating authorities, maintain full confidentiality.
- e) The intent of this policy is to bring genuine and serious issues to the fore and it is not intended for petty Disclosures. Malicious allegations by employees may attract disciplinary action.
- f) A Whistle blower has the right to protection from retaliation. But this does not extend to immunity for involvement in the matters that are the subject of the allegations and investigation.
- g) Maintain confidentiality of the subject matter of the Disclosure and the identity of the persons involved in the alleged Malpractice. If may forewarn the Subject, important evidence is likely to be destroyed.

ii. ACCOUNTABILITIES – RELEVANT AUTHORITY

- a) Conduct the enquiry in a fair, unbiased manner.
- b) Ensure complete fact-finding.
- c) Maintain strict confidentiality.
- d) Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom.
- e) Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures.
- f) Document the final report.

iii. RIGHTS OF A SUBJECT

- a) Subjects have right to be heard and the relevant authority must give adequate time and opportunity for the subject to communicate his/her say on the matter.
- b) Subjects have the right to be informed of the outcome of the investigation and shall be so informed in writing by the Company after the completion of the inquiry/ investigation process.

iv. ACCESS TO REPORTS AND DOCUMENTS

All reports and records associated with Disclosures are considered confidential information and access will be restricted to the relevant authority. Disclosures and any resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at that time.

v. MANAGEMENT ACTION ON FALSE DISCLOSURES

- a) An employee who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct shall be subject to disciplinary action, upto and including termination of employment, in accordance with Company rules, policies and procedures. Further this policy may not be used as a defence by an employee against whom an adverse personnel action has been taken independent of any disclosure of intimation by him and for legitimate or cause under Company rules and policies.
- b) However, no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.

N. Amendment

The Company may amend or modify this Policy in whole or in part, at any time, such amendment or modification shall not affect the on-going or completed investigations