

SHARON BIO-MEDICINE LIMITED

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

POLICY OBJECTIVE:

Section 177 of the Companies Act, 2013, requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed.

Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, inter alia, requires for all listed companies to establish a mechanism called 'Whistle Blower Policy' for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics 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

DEFINITION:

- (i) **"Protected Disclosure"** means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity. It should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

- (ii) **“Vigilance Officer”** means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

- (iii) **“Whistle Blower”** is an employee or group of employees who made a Protected Disclosure and also referred to as complainant under this Policy.

POLICY FRAMEWORK:

1. The Whistle blower, upon becoming aware of an unethical practice must immediately send the protected disclosure to the Vigilance Officer in writing, along with a covering letter mentioning the name, identity and signature of the whistle blower. It has to be sent in a closed / sealed envelope mentioning on the envelope – “Protected Disclosure under the Whistle Blower Policy”. The complainant need not write his or her name on the envelope. This will help the Vigilance Officer to protect the whistle blower. Anonymous disclosures will not be entertained by the Vigilance Officer.

2. Protected Disclosure against the Vigilance and Ethics Officer should be addressed to the Chairman of the Company and the Protected Disclosure against the Chairman/ CEO of the Company should be addressed to the Chairman of the Audit Committee.

3. All protected disclosures will be recorded and the complainant will be asked by the Vigilance Officer if he or she has made the disclosure. Then the Vigilance Officer will conduct an initial investigation either himself or by hiring an outside agency before referring the matter to the audit committee.

4. A detailed investigation will be carried out by the Audit Committee. Upon thorough investigation, the facts and figures will be put across to the Board of Directors.

5. An appropriate decision will then be made by the Board of Directors and accordingly action will be taken. The decision will also be conveyed to the Whistle Blower.

All employees including the Directors are eligible to lodge complaints about unethical practices or any of the above mentioned malpractices.

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.
