

Mercury Laboratories Limited

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

1. PREAMBLE

Mercury Laboratories Limited (hereinafter referred to as “the Company”) believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. Any actual or potential violation of these principles would be a matter of serious concern for the Company. The Company is therefore committed to developing a culture where it is safe for employees- officers and workmen to raise concerns about instances, if any where such principles are not being followed.

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

Further, clause 49 of the Listing Agreement between listed companies and the Stock Exchanges has been recently amended which, *inter alia*, provides for a mandatory requirement for all listed companies to establish a mechanism called the, “Whistleblower Policy” for directors and employees to report concerns of unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct.

This Policy is framed in accordance with provisions of section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered by the Company with the Stock Exchanges as applicable to Whistle blowers.

The term “he”, “his” or “him” used herein in the Policy shall deem to include/mean “she”, “her” or “herself” as and when applicable to female persons.

2. OBJECTIVE

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Company also encourages employees to report concerns of unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct, to come forward and express his/her concerns without fear of punishment or unfair treatment.

This Policy aims to provide an avenue for employees to raise their concerns that could have grave impact on the operations, performance, value and the reputation of the Company and it also empowers the Audit Committee of the Board of Directors to investigate the concerns raised by the employees. It is not a route for taking up personal grievance.

3. DEFINITIONS

“**Audit Committee**” or “**Committee**” means, the Committee of the Board of Directors of the Company constituted under Section 177 of the Companies Act, 2013 and the rules made thereunder which shall include any modification or amendment thereof.

“**Employee**” means every employee of the Company

“**Fact Finder**” means, the person(s) or outside entity appointed by the Chairperson of the Audit Committee to investigate a Protected Disclosure;

“**Improper Practice**” includes

1. Breach of the Company’s Code of Conduct

2. Breach of Business Integrity and Ethics
3. Breach of terms and conditions of employment and rules thereof
4. Intentional Financial irregularities, including fraud, or suspected fraud
5. Deliberate violation of laws/regulations
6. Gross or willful negligence causing substantial and specific danger to health, safety and environment
7. Manipulation of company data/records
8. Pilferation of confidential/propriety information
9. Gross wastage/misappropriation of Company funds/assets

“Protected Disclosure” means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence Improper Practice. Protected Disclosures should be factual and not speculative in nature.

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

“Whistleblower” is someone who makes a Protected Disclosure under this Policy.

“Policy or “This Policy” means the “Whistleblower Policy.”

4. SCOPE

The concerned individual is expected to promptly report to the Chairman of the Audit Committee of the Company (or the Compliance Officer of the Company in absence of said Chairman) in writing of any actual or possible serious violations of the Company’s Code of Conduct for the employees or any other unlawful or unethical or improper practice or act or activity concerning the Company which can adversely affect its business, interest or reputation. Such reporting individual/s shall be termed as “the Whistle Blower” under this policy. The contact details of the Chairman of the Audit Committee and the Compliance Officer of the Company are provided in **Schedule I** attached hereto.

The unlawful, unethical or improper practice or act or activity (hereinafter referred to as a “Disclosure”) may include, but is not limited to, any of the following:

- a) A violation of any law;
- b) A substantial and specific danger to the health and safety of individuals working in the premises of the Company;
- c) Fraud (embezzlement of Company funds or the misappropriation of the Company’s assets in the form of money, property, data or intellectual property);
- d) Criminal activity;
- e) Serious breach of the Code of Conduct for Employees;
- f) Manipulation of the Company’s records/data and incorrect financial reporting;
- g) Abuse of authority;
- h) Acts or activities detrimental to the Company’s image or reputation;
- i) Attempt to conceal any of the above acts or activities.

Nevertheless, any significant issue which the Whistle Blower may feel is in the Company's interest to resolve, whether or not it technically falls within the activities above, should be reported internally in accordance with this Policy. This also includes issues which are brought to the management's attention in writing. The Whistle Blower's role is that of a reporting party with reliable information. The Whistle blower is not required or expected to act as investigator or finder of facts, nor would he/she determine the appropriate corrective or remedial action that may be warranted in a given case.

5. PROCEDURE

The purpose of this Policy is to ensure that all Disclosures made by the Whistle Blower are dealt with in a consistent manner. Wherever possible, the Whistle Blower is encouraged to first report Disclosures issues internally following the procedure as outlined below:

- a) The Whistle Blower shall provide in writing (either in English, Hindi or in the regional language of the place of employment of the Whistle Blower) full details of the Disclosure/allegation and the wrong-doer's name within the shortest practicable period, but not later than 30 (thirty) days from the date of being aware of the act committed. The Disclosure shall be addressed to the Chairman of the Audit Committee of the Company (or the Compliance Officer of the Company in absence of the said Chairman). Although the Whistle Blower is not expected to prove the truth of the allegation, the Whistle Blower needs to demonstrate that there are sufficient grounds for concern. The Disclosure should preferably be forwarded under a covering letter which shall bear the identity of the Whistle Blower or can be forwarded via email at secretarial@mercurylabs.com with the contact details of the Whistle Blower.
- b) Each Disclosure that is made, whether openly, confidentially or anonymously, shall be reviewed by the Chairman of the Audit Committee (or another member of the Audit Committee or the Compliance Officer of the Company as decided by the Chairman, who may, at his discretion, consult with any member of the management, employee or external parties including auditors, counsels, Police (if required under law) who he believes would have appropriate expertise or information to assist him and act as investigator. The Chairman of the Audit Committee may determine whether the Disclosure should be investigated by taking into account.
 - What is the alleged disclosure
 - Who is the alleged wrong-doer
 - How serious is the alleged concern
 - How credible is the allegation of wrongdoing and what is the context in which allegations are made, or concerns reported.
 - What is quality and accuracy of evidence provided
 - Whether there is an indication of some weakness in the Company's internal controls which requires remediation
- c) If the initial enquiries indicate that the Disclosure has no basis, or it is not a matter to be pursued under this Policy, it may be dismissed by the Chairman of the Audit Committee. The Whistle Blower shall be informed of this decision.
- d) Where initial enquiries indicate that further investigation is necessary, this will be carried the investigation will be conducted in a fair manner, as a neutral fact finding process and without presumption of guilt. All discussions of the investigation will be minuted.
- e) The Chairman of the Audit Committee or the Compliance Officer will inform the alleged wrong-doer against whom the Disclosure is made as soon as practically possible in accordance with the Company's policy and procedure. The alleged wrong-doer will be required to co-operate with the investigation carried out and failure to comply with the same or deliberately providing false information during the investigation can be the basis for disciplinary action including termination

of employment.

- f) The investigation shall be completed normally within 45 days of the receipt of the Disclosure, and such period may be extended at the discretion of the Chairman of the Audit Committee or the investigator if required.
- g) A judgement concerning the Disclosure and its validity will be made by the Chairman of the Audit Committee of the Company. This judgement will be detailed in a written report containing the findings of the investigations and reasons for the judgment. The report will be placed before the Audit Committee of the Company and the Board of Directors.
- h) The Audit Committee of the will decide the action to be taken and preventive measures to be initiated for the future. If the Disclosure is shown to be justified, the disciplinary or other appropriate company procedures will be invoked against the wrong-doer/s.
- i) The Whistle Blower will be kept informed of the progress of the investigations and, if appropriate, of the final outcome.
- j) If the Whistle Blower is not satisfied that his concern is being properly dealt with, he has the right to raise it in confidence with the Executive Directors or the Chairman and Managing Director of the Company.

6. ROLE, RIGHTS AND RESPONSIBILITIES OF WHISTLE BLOWERS

- a) The Whistle Blower shall provide initial information based on a reasonable belief that an alleged wrongful conduct/act has occurred. The motivation of the Whistle Blower is irrelevant to the consideration of the validity of the allegations. However, the intentional filing of false report is considered an improper activity, for which the management of the Company, on recommendation of the Chairman of the Audit Committee of the Company, has the right to take appropriate action.
- b) The Whistle Blower shall refrain from obtaining evidence for which he does not have a right of access and any such access may be considered an improper activity.
- c) The Whistle Blower has a responsibility to be candid with the Chairman of the Audit Committee or any other member of the Audit Committee or the Compliance Officer of the Company or the investigators who may be appointed by the said Chairman to whom the Disclosure is being reported and the said report shall set forth all known information regarding any reported allegations.
- d) The Whistle Blower will be a „reporting party“ and not an investigator. The Whistle Blower is not to act on his own in conducting any investigative activities, nor will have a right to participate in any investigative activities other than the activity that may be allowed by the investigating authority.
- e) The identity of the Whistle Blower will not be disclosed except where required under the applicable law or for the purpose of the investigation. Should, however, the Whistle Blower self-disclose his identity to other person/s, there will no longer be an obligation not to disclose the Whistle Blower’s identity.
- f) The Whistle Blower’s right to protection from retaliation will not extend immunity for any complicity in the matters that are the subject of the allegations or an ensuing investigation or any other misconduct or wrong doing.
- g) This policy may not be used as a defence by an employee against whom an adverse personnel action has been taken for legitimate reasons or cause under the Company’s Code of Conduct rules or any other policies. It shall not be a violation of this Policy to take adverse personnel action against an employee, whose conduct or performance warrants that action, separate and apart from that employee making a Disclosure.
- h) This Policy encourages the Whistle Blowers to put their name to any Disclosures they make. Disclosures expressed anonymously are much less credible, but they may be considered at the

discretion of the Chairman of the Audit Committee of the Company. In exercising this discretion, the factors to be taken into account will include:

- The seriousness of the issues raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources

The anonymous Whistle Blower must provide sufficient corroborating evidence to justify the commencement of an investigation. An investigation of unspecified wrongdoing or broad allegations may not be undertaken without verifiable evidence. As investigators are unable to interview anonymous Whistle Blowers, it may be difficult to evaluate the credibility of the allegations.

7. DISQUALIFICATION

- a) While it will be ensured that a genuine Whistle Blower is accorded proper protection from any kind of unfair treatment as herein set out, any abuse of this protection by the Whistle Blower will warrant disciplinary action.
- b) Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by the Whistle Blower knowing it to be false or bogus or with a mala fide intention.
- c) The Whistle Blower, who has made any disclosure/allegation, which has subsequently been found to be mala fide or malicious or the Whistle Blower who makes more than two disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further disclosures under this Policy and disciplinary action can be taken by the management of the Company against the Whistle Blower.

8. PROTECTION TO THE WHISTLEBLOWER

No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. Adequate safeguards against victimization of complainants shall be provided. The Company 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 to the extent possible and permitted under law. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

9. CRIMINAL ACTIVITY

If there is evidence of criminal activity, the Company may inform the police and ensure that any internal investigation does not hinder a formal police investigation.

10. RECORD KEEPING

The Compliance Officer of the Company will keep confidential records of all documents relating to the Disclosures. All Disclosures made in writing as well as all documents related to any investigation and the results of the investigation relating thereto shall be retained in accordance with the Company's record retention policy or applicable laws.

11. AMENDMENTS

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or

modification shall be inconsistent with the applicable provisions of any law for the time being in force.

In the event of any conflict between the provisions of this Policy and the Listing Agreement; Companies Act, 2013; Regulations or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

Schedule I

Chairman of Audit Committee
Mr. Divyakant Zaveri
Tel No:0265-2280181
Email ID: mllbrd@mercurylabs.com

Company Secretary & Compliance Officer
Ms. Krishna Shah
Tel No:0265-2280180
Email ID: secretarial@mercurylabs.com