



## **Vigil Mechanism Policy**

Sai Life Sciences Ltd.

## **Sai Life Sciences Limited's Vigil Mechanism Policy**

### **PREFACE**

Sai Life Sciences Limited (Sai) 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 behavior.

Sai is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct or violation of law in force.

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. The Company has adopted a Code of Conduct for Directors and Senior Management Executives and Code of Ethical Conduct, which lays down the principles and standards that should govern the actions of the Company and its employees.

### **OBJECTIVE**

This policy seeks the support of Sai employees and Directors to report significant non-compliance with the Company's Code of Conduct. A Vigil Mechanism provides a channel to the employees to report concerns about violation of the Codes of conduct or policy.

### **SCOPE OF THE POLICY**

This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules and Code of Conduct, demanding and /or accepting gratification, obtaining a valuable thing without or inadequate consideration from a person with whom he have or may have official dealings, obtaining for self or any other person pecuniary benefits by corrupt or illegal means.

The employees of the Company are eligible to make Protected Disclosures under the Policy. An employee can avail of the channel provided by this Policy for raising an issue covered under this Policy. Policy should not be used in place of the Company's grievance procedures or be a route for raising malicious or unfounded allegations against colleagues and Management.

## 1. Definitions:

The definitions of some of the key terms used in this Policy are given below. Capitalized terms used but not defined in this Policy shall have the meaning ascribed to it in the Code of Ethical Conduct.

**"Audit Committee"** means the Audit Committee constituted in accordance with the Companies Act.

**"Code of Ethical Conduct"** refers to the Company's Code of Conduct and Ethics adopted by the Company

**"Companies Act"** means the Companies Act, 1956 and the Companies Act, 2013, to the extent applicable;

**"Disclosee"** means an employee making a Disclosure under this Policy.

**"Disclosure"** means any communication made in good faith that discloses or demonstrates information that may evidence any Reportable Matter.

**"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 official duties or any such action as is deemed to be fit considering the gravity of the matter.

**"Employee"** or **"employee"** means every employee of the Company (whether working in India or abroad), or its subsidiaries, including the Directors of the Company and its subsidiaries.

**"Ethics Committee"** means the committee constituted by the Company for the purpose of investigation of disclosures made by a Disclosee.

**"Reportable Matters"** means any actual or suspected fraud or violations of the Code of Ethical Conduct.

**"Subject"** means a person against whom a Disclosure has been made.

**"This Policy"** means the policy as may be amended, abrogated, modified, rescinded / reinstated by the Company.

## **2. Procedure for making a Disclosure:**

- 2.1 Any Reportable Matter with respect to which a Disclosee seeks to make a Disclosure shall be made in accordance with Clause 2 of this Policy.
- 2.2 A Disclosure should be made at the earliest, preferably within 30 (thirty) days from the date of knowledge of the Disclosee. All Disclosures should:
  - (a) be in either English, Hindi, Telugu, Kannada or Marathi;
  - (b) written legibly or in typed form;
  - (c) clearly state the details of the Reportable Matter;
  - (d) to the extent available, provide factual evidence for corroborating the Reportable Matter.

In this regard, it may be noted that a Disclosure should not be speculative or of a nature which indicates a conclusion and it should contain specific information to allow for proper assessment seriousness of the concern or urgency of a preliminary investigative procedure. An allegation of wrongdoing will not be sustained unless there is sufficient evidence in support of the allegation;

- 2.3 Any Disclosure on the basis of hearsay evidence of which the Disclosee does not have any direct knowledge or information, will be rejected, unless there is factual evidence provided to corroborate such a Disclosure.
- 2.4 Any Disclosure made without adequate evidence with respect to a Reportable Matter and which is for personal vendetta or personal grievances, will also be rejected.
- 2.5 All Disclosures are to be submitted to the Company Secretary and Compliance Officer of the Company either by sending the same in a sealed envelope marked "Private and Confidential" to the Company Secretary and Compliance Officer at the Registered Office of the Company or by email to [vigilmechanism@sailife.com](mailto:vigilmechanism@sailife.com). Employees could also send the same to the Chairman of the Audit Committee either by sending the same in a sealed envelope marked "Private and Confidential" to the Company Secretary and Compliance Officer at the Registered Office of the Company.
- 2.6 It is advisable that the Disclosee disclose his/her identity when making a Disclosure. Should the Disclosee chose to disclose his/her identity, the same will be treated with confidentiality and shall be disclosed only for the purpose of facilitation of the investigation process.

- 2.9 The Disclosee's must put their names to allegations, as follow-up questions and investigation may not be possible unless the source of the information is identified. Disclosures expressed anonymously will ordinarily NOT be investigated.
- 2.10 The Disclosee's role is that of reporting a Disclosure with reliable information and they are not expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in the case reported. The Disclosee will not have a right to participate in any investigative activities other than as requested by the Audit Committee or the Ethics Committee. If so required, the Disclosee is expected to co-operate with the Audit Committee and / or the Ethics Committee in the course of any investigation with respect to any Disclosure made by the Disclosee.

### **3. Investigation Process:**

- 3.1 All Disclosures reported under this Policy will be investigated by the Ethics Committee subject to being found appropriate via a preliminary investigation, whether by the Ethics Committee or by any person nominated by it. However, if there is inadequate information provided in the Disclosure or the facts are unclear and after preliminary enquiries, the Ethics Committee is unable to determine the Reportable Matter or if it is of the view that the Disclosure has no basis or the subject matter of the Disclosure is not a matter to be dealt with in terms of this Policy, the Ethics Committee may dismiss the same.
- 3.2 The Ethics Committee's decision to conduct an investigation will not be construed as accusation and may only be considered as a fact-finding process. The process of investigation would be neutral in nature till the time that the outcome of the investigation is known.
- 3.3 The identity of the parties concerned will be kept confidential to the extent possible given the legitimate needs of law and the investigation. The parties concerned will normally be informed of the allegations at the outset of a formal investigation and will have opportunities for providing inputs during the investigation.
- 3.4 Pursuant to the preliminary enquiry, if the Ethics Committee is of the view that the Disclosure merits further investigation, it will (either directly or through persons nominated by it) conduct the same with the objective of fact-finding and analysis. The Ethics Committee may consider involving technical or other resources as necessary to aid the investigation.

The Ethics Committee may also engage independent investigators. The authority and access rights of the investigators for acting within the scope and course of the investigation will be determined by the Ethics Committee. The Ethics Committee may obtain inputs from other relevant persons and review the evidence wherever necessary.

- 3.5 All employees who are required to be a part of the investigation process are expected to co-operate with the Ethics Committee during investigation and they shall not interfere with the investigation nor should they influence, coach, threaten or intimidate any witnesses or the Employee making the Disclosure. All Employees who are a part of an investigation process should ensure that evidence is not withheld, destroyed or tampered with.
- 3.6 The Ethics Committee will endeavour to complete its investigation within a period of 4 (four) weeks of the receipt of the Disclosure and will prepare an enquiry report along with the findings. The Subject as well as the Disclosee will be informed of the outcome of the investigation.
- 3.7 All decisions or outcomes of the Ethics Committee with respect to a Disclosure are to be recorded in writing and shall provide details reasons as to why such decision was taken by the Ethics Committee.
- 3.8 If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.
- 3.9 The Ethics Committee will provide to the Chairperson of the Audit Committee, a report on regular basis, stating Disclosures received, the findings and the decision, in such format as specified by the Audit Committee.

#### **4. Protection of Disclosee:**

- 4.1 The Disclosee shall not be subject to any unfair treatment on account of any genuine Disclosure made under this Policy in good faith, provided that the Disclosee has provided his/her identity at the time of making a Disclosure, including retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion etc.
- 4.2 The identity of the Disclosee shall be kept confidential to the extent possible and permitted under law. Any other employee assisting in the said investigation including witnesses shall also be protected to the same extent as the Disclosee.

- 4.3 In the event of any violation of this Clause 4, the Disclosee is requested to bring to the notice of the Ethics Committee or the Audit Committee such a violation and the Ethics Committee shall take all action as may be required to ensure that there is no violation of this Clause 4 and that no unfair treatment is meted out to the Disclosee.
- 4.4 Any person who victimizes or subjects any Disclosee to unfair treatment in violation of this Clause 4 on account of the Disclosee having made a Disclosure shall be subject to disciplinary action, in accordance with the rules, procedures and policies of the Company.
- 4.5 It is clarified that the protection to a Disclosee under this Clause 4 is provided only in the event (a) the Disclosure is made in good faith; (b) the Disclosure is not made for personal gain or to settle personal grievances or for any personal vendetta; (c) the Disclosee has justifiable reasons to believe that the allegations made against the Subject are true.

#### **5. Decision:**

Pursuant to completion of the investigation process, if the Ethics Committee is of the view that there has been fraud, or a violation of the Code of Ethical Conduct, the Ethics Committee shall in its report suggest the disciplinary or corrective action (including but not limited to warning, fine, suspension or dismissal, depending on the severity of the matter) to be taken against the Subject as the Ethics Committee deems fit. However, any such disciplinary or corrective action is to be as per the disciplinary procedures of the Company and can also include legal action if necessary.

#### **6. Retention of documents:**

All Disclosures will be retained along with the results of investigation by the Company for a period of 5 (five) years. However, the Company may, at its discretion maintain the Disclosures for such longer period as it deems fit.

#### **7. Review and Amendment:**

The Company reserves the right to amend, abrogate, modify, rescind / reinstate the entire Policy or any part of it at any time. Any such amendment or modification shall come into effect on and from the date the same is approved by the Board of Directors of the Company.

## **8. Misuse of the Policy**

Notwithstanding anything contained in this Policy, if any Employee knowingly makes false or untrue allegations of any fraud, or a violation of the Code of Ethical Conduct, the Company shall be entitled to take disciplinary action against such Employee, including but not limited to termination of the employment of such Employee or initiation of legal action against such Employee. It is clarified that where an Employee makes a Disclosure (a) in good faith; and (b) the Disclosure is not made for personal gain or to settle personal grievances or for any personal vendetta; and (c) the Disclosee has justifiable reasons to believe that the allegations made against the Subject are true, the Disclosee shall not be subject to any disciplinary action even if the allegation made by the Disclosee is not confirmed by the Ethics Committee.