

**VIGIL MECHANISM(WHISTLE BLOWER
POLICY)
MIDLAND SERVICES LIMITED**

VIGIL MECHANISM / WHISTLE BLOWER POLICY

PREAMBLE

Section 177(9) and (10) 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.

Midland Services Limited (hereafter referred to as "MSL" or "Company" in this document) believes in promoting a fair, transparent, ethical and professional work environment. While the MSL code of Conduct defines the expectations from employees in terms of their integrity and professional conduct, the vigil mechanism defines the mechanism for reporting deviations from the standards defined in the Code.

Any actual or potential violation of the Code, howsoever insignificant or perceived as such, is a matter of serious concern for the Company. Such 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 appropriate or exceptional cases.

Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called "Whistle Blower Policy" for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the company's code of conduct.

POLICY

In compliance of the above requirements, Midland Services Limited (MSL), being a Listed Company has established a Vigil (Whistle Blower) Mechanism and formulated a Policy in order to provide a framework for responsible and secure whistle blowing/vigil mechanism.

DEFINITIONS

Definitions of some of the key terms used in this mechanism are given below:

- a. **Protected disclosure:** Any communication made in good faith that discloses or demonstrates evidence of any fraud or unethical activity within the company.
- b. **Whistle blower:** An individual who makes a protected disclosure under this mechanism. This could be an Employee, Director, Vendor, Supplier, Dealer and Consultant, including Auditors and Advocates of MSL.
- c. **Audit Committee:** An audit committee is an operating committee formed by the Board of Directors in accordance with Section 177 of the Companies Act 2013 and charged with oversight of financial reporting and disclosure.
- d. **Board of Directors:** A body of elected or appointed members who jointly oversee the activities of the company.
- e. **Code of Conduct:** A set of rule outlining the responsibilities of or proper practices for an

individual, party or organization. In this case, it refers to MSL's Code of Conduct for Employees and MSL's Code of Conduct for Senior Management and Directors.

- f. **Ombudsperson:** will be the chairman of the Audit Committee for the purpose of receiving all complaints under this Policy and ensuring appropriate action.
- g. **Investigators:** Selected employees or third parties charged with conducting investigations to ascertain the creditability of such whistleblower complaints.
- h. **Subject:** means a person against whom, or in relation to whom a Protected Disclosure is made.

POLICY OBJECTIVES

The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

THE GUIDING PRINCIPLES

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

Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;

Treat victimization as a serious matter including initiating disciplinary action on such person/(s);

Ensure complete confidentiality.

Not attempt to conceal evidence of the Protected Disclosure;

Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;

Provide an opportunity of being heard to the persons involved especially to the Subject;

SCOPE

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/Ethics Policy or Rules
11. Any other unethical, biased, favoured, imprudent event, etc.

The list provided above is not an exhaustive but inclusive as the case may arise.

MANNER IN WHICH CONCERN CAN BE RAISED

Employees can make Protected Disclosure to Ombudsperson, as soon as possible but not later than 30 consecutive days after becoming aware of the same.

Whistle Blower must put his/her name to allegations. Concerns expressed anonymously WILL NOT BE investigated.

If initial enquiries by the Ombudsperson indicate that the concern has no basis, or it is not a matter to be investigated pursued under this Policy, it may be dismissed at this stage and the decision is documented.

Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Ombudsperson alone, or by a Whistle Officer/Committee nominated by the Ombudsperson for this purpose. The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written report of the findings would be made.

Name of the Whistle Blower shall not be disclosed to the Whistle Officer/Committee unless required for the purpose of investigation.

The Ombudsperson/Whistle Officer/Committee shall:

- i) Make a detailed written record of the Protected Disclosure. The record will include:

- a) Facts of the matter
 - b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
 - c) Whether any Protected Disclosure was raised previously against the same Subject;
 - d) The financial/ otherwise loss which has been incurred / would have been incurred by the Company.
 - e) Findings of Ombudsperson/Whistle Officer/Committee;
 - f) The recommendations of the Ombudsperson/Whistle Officer/Committee on disciplinary/other action/(s).
- ii) The Whistle Officer/Committee shall finalise and submit the report to the Ombudsperson within 15 days of being nominated/appointed, unless more time is required under exceptional circumstances.

On submission of report, the Whistle Officer /Committee shall discuss the matter with Ombudsperson who shall either:

- i) In case the Protected Disclosure is proved, accept the findings of the Whistle Officer /Committee and take such Disciplinary Action as he may think fit and take preventive measures to avoid re-occurrence of the matter;
 - ii) In case the Protected Disclosure is not proved, extinguish the matter;
- Or
- ii) Depending upon the seriousness of the matter, Ombudsperson may refer the matter to the Committee of Directors (Whole-time Directors) with proposed disciplinary action/counter measures. The Committee of Directors, if thinks fit, may further refer the matter to the Audit Committee for necessary action with its proposal. In case the Audit Committee thinks that the matter is too serious, it can further place the matter before the Board with its recommendations. The Board may decide the matter as it deems fit.

In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, s/he can make a direct appeal to the Chairman of the Audit Committee.

PROTECTION

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 employment practice being adopted against Whistle Blower. Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behaviour 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.

The identity of the Whistle Blower shall be kept confidential.

Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

SECRECY/CONFIDENTIALITY

The Whistle Blower, the Subject, the Whistle Officer and everyone involved in the process shall:

- a. maintain complete confidentiality/ secrecy of the matter.
- b. not discuss the matter in any informal/social gatherings/ meetings.
- c. discuss only to the extent or with the persons required for the purpose of completing the process and investigations.
- d. not keep the papers unattended anywhere at any time.
- e. keep the electronic mails/files under password.

If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

REPORTING

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.