

## VIGIL POLICY

### PREFACE - OBJECTIVE

Cipla has always believed in upholding professional integrity and ethical behavior in the conduct of its business. Cipla has a Code of Conduct that reflects its belief and serves as a reference framework of conduct expected from everyone in Cipla.

To uphold and promote these standards, Cipla has formulated this Vigil Policy which serves as a mechanism for its directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct without fear of reprisal, and hence to help ensure Cipla continues to uphold its high standards.

### SCOPE

This Vigil Policy provides a secure framework to all the directors and employees of Cipla to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct by providing for adequate safeguards against victimization of the person making such report. This Vigil Policy also provides for direct access to the Chairman of the Audit Committee in appropriate and exceptional cases.

This Vigil Policy is in addition to the existing reporting processes within Cipla. Matters related to interpersonal issues, service conditions, organizational policies etc. should be resolved using the existing reporting process and not through the use of this Vigil Policy.

*For example, issues related to compensation like quantum of increments, bonus payouts, performance appraisal, tax deducted at source, inappropriate facility management or administrative services, information technology related issues etc. should be resolved using the existing reporting mechanisms.*

### DEFINITIONS

**Anonymous Protected Disclosure** means a Protected Disclosure made by a Disclosing Party without providing sufficient information in the Protected Disclosure Form to ascertain the identity of the Disclosing Party.

**Audit Committee** means the audit committee constituted by the Board of Directors of the Company in accordance with applicable law, including the Listing Agreement and the Companies Act, 2013.

**Code** means the Company's Code of Conduct.

**Company** means Cipla Ltd.

**Director** means a member of the Board of Directors of the Company

**Disclosing Party** means a Director or an Employee making a Protected Disclosure under this Policy.

**Employee** means every person on the rolls of the Company.

**Ethics Committee** means a committee of 4 (Four) persons, comprising the Global Head of Human Resources, Chief Legal Officer, Head of Internal Audit and Global Head of Accounting, Tax and Treasury. The Global Head of Human Resources shall be the convenor of the Ethics Committee.

**Investigation Subject** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of the investigation.

**Investigation Report** means the report in which facts of the case, relevant evidence, details of investigation conducted and final conclusion of the Investigator(s) is documented.

**Investigators** means those persons authorized, appointed or consulted by the Ethics Committee/ Chairman of the Audit Committee in relation to an investigation of the Protected Disclosure and who submit their findings to the Ethics Committee/ Chairman of the Audit Committee. This can be a sub-committee of the Ethics Committee, any Employee of the Company or an external agency as may be identified by the Ethics Committee/Chairman of the Audit Committee.

**Policy** means this Vigil Policy, as may be updated and amended from time to time.

**Protected Disclosure** means a valid disclosure made under this Policy.

**Protected Disclosure Form** is the form in which a Protected Disclosure must be made to the Ethics Committee/ Chairman of the Audit Committee.

## MAKING OF A PROTECTED DISCLOSURE

1. Any Director or Employee who becomes aware of an unethical behavior, actual or suspected fraud or a violation of the Code, as further mentioned in the Scope of this Policy hereinabove, is encouraged to bring such behavior, fraud or violation to the Company's notice by sending a completed Protected Disclosure Form to the Ethics Committee either through e-mail (**ethics@cipla.com**) or by post (Attention: Global Head of Human Resources, Cipla Ltd., Tower A, 1<sup>st</sup> Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013). The Director or Employee shall not attempt to investigate the matter on its own accord, or pursuant to any third parties, and is encouraged to inform the Ethics Committee at the earliest possible stage.
2. If there is a doubt about whether a particular situation amounts to behavior, fraud or violation to be disclosed under this Policy, the relevant Employee is encouraged to consult his/her reporting managers, or respective locational/functional human resources head, prior to using this Policy.
3. Any Protected Disclosures involving Directors, or any member(s) of the Ethics Committee, or any other appropriate and exceptional cases which any Employee believes cannot be resolved in accordance with the aforesaid procedure and the Ethics Committee, can be addressed directly to the Chairman of the Audit Committee. The details of the Chairman of the Audit Committee are as under:

Title: Chairman of Audit Committee

Address: Cipla Ltd., Tower A, 1st Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013

E-mail ID: audit.chairman@cipla.com.

4. Protected Disclosures involving the Chairman of the Audit Committee should be made to the Chairman of the Board of Directors of the Company. If the Chairman of the Board of Directors of the Company is the same person as the Chairman of the Audit Committee, such Protected Disclosure may be made to any other Director.
5. To ensure proper and fair investigation, all Protected Disclosures should be reported in writing using the Protected Disclosure Form available on the intranet. The Protected Disclosure 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 Disclosing Party.
6. Protected Disclosures should be made by the Disclosing Party at the earliest possible opportunity, as soon as he/she becomes aware of suspected unethical behavior, actual or suspected fraud or violation of the Code, but not later than 30 days, unless the delay can be justified.
7. If a Protected Disclosure Form is received by anybody other than the Ethics Committee or Chairman of the Audit Committee, they should refrain from reviewing its contents and immediately forward it to the Ethics Committee.

#### **INVESTIGATION OF PROTECTED DISCLOSURE(S)**

1. Protected Disclosures received directly by the Chairman of the Audit Committee may be forwarded to the Ethics Committee for investigation, or he may choose to investigate the matter at his own discretion. In determining whether or not to forward the Protected Disclosure to the Ethics Committee, the Chairman of the Audit Committee shall have regard to any potential conflicts of interest.
2. If any member of the Ethics Committee has a conflict of interest in a given case, he/she will recuse himself/herself at the earliest possible opportunity, and the other members of the Ethics Committee will deal with the matter.
3. If the Chairman of the Audit Committee has a conflict of interest in a given case, he/she will recuse himself/herself at the earliest possible opportunity and refer the matter to the Chairman of the Board of Directors. If the Chairman of the Audit Committee is also the Chairman of the Board of Directors, he/she shall refer the matter to any other Director.
4. Upon receipt of a Protected Disclosure, the Ethics Committee/Chairman of the Audit Committee shall conduct a preliminary review of the Protected Disclosure to ascertain its genuineness and veracity and recommend/take appropriate action as below, which shall be recorded in the Investigation Report:

- a) Close the investigation and take disciplinary action against the Disclosing Party, in accordance with the Company's policies, if the Disclosing Party makes repeated Protected Disclosures which are trivial or frivolous in nature, or with *mala fide* intentions;
  - b) Close the investigation, if the preliminary review indicates that the reported concern has no basis either in fact or in law;
  - c) Close the investigation and refer the matter to the appropriate authority/committee if the preliminary review indicates that the reported concern falls outside the scope of this Policy; and
  - d) Conduct further investigation (whether by itself and/or through an Investigator), if the preliminary review indicates existence of unethical behavior, actual or suspected fraud or violation of the Code. If further investigation leads to a finding of unethical behavior, fraud and/or violation of the Code, necessary disciplinary, punitive or corrective action (including the making of any disclosure under any applicable law) as per the Company's policies and under applicable law shall be recommended to the management of the Company.
5. The Ethics Committee/Chairman of the Audit Committee may at their discretion, involve Investigators for the purpose of investigation of a Protected Disclosure. In all such cases, only the matter of investigation should be forwarded to the Investigator(s). The Investigator(s) shall be under an obligation to maintain confidentiality with respect to all information accessed by them, as well as with respect to their findings.
  6. The Disclosing Party's role is that of a reporting party with reliable information. He/she shall not be party to the investigation of a Protected Disclosure, or be involved in deciding what course of remedial action is warranted in a given case, and he shall not in any way hinder or impede any investigation.
  7. The Investigator shall submit its report (along with all the supporting documents) to the Ethics Committee/ Chairman of the Audit Committee.
  8. The investigation process shall be completed within 45 days of the receipt of the Protected Disclosure Form and any delay beyond 45 days must be justified in the Investigation Report.
  9. Anonymous Protected Disclosures will be investigated only if it *prima facie* appears to be genuine. In case it is found to be frivolous or made with *mala fide* intent, the review/investigation will be closed and the same will be recorded in the Investigation Report.
  10. The identity of the Investigation Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation. The Investigation Subject will be informed of the investigation at the appropriate stage and will be given an opportunity to provide clarifications and to state his case.

11. During the investigation process, the Investigation Subject has a responsibility to co-operate and not to interfere with the investigation. In particular, the Investigation Subject shall:
- (a) Not directly or indirectly withhold, tamper with or destroy evidence;
  - (b) Not directly or indirectly contact, influence, bribe, coach, threaten or intimidate the Disclosing Party or any member of his family; and
  - (c) Keep all information pertaining the existence and content of the Protected Disclosure and ensuing investigation, as well as the identity of the Disclosing Party, confidential.

### **PROTECTION OF THE DISCLOSING PARTY AGAINST VICTIMISATION**

1. The Disclosing Party will be given complete protection from any harassment, 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 Disclosing Party's right to continue to perform his duties/functions including making further Protected Disclosure. The Disclosing Party will continue to be bound by the terms and conditions of his/her contract of employment and the Company's other policies.
2. If a Disclosing Party believes that he/she has been victimized for filing a Protected Disclosure under this Policy, he/she may file a written complaint to the Ethics Committee requesting an appropriate remedy. The Ethics Committee shall investigate such complaint and take such actions as it may deem fit to ensure that the Disclosing Party is not victimized for having filed a Protected Disclosure under this Policy.
3. Protection under the previous paragraphs will not include protection from disciplinary action arising out of frivolous or false allegations made with *mala fide* intention by the Disclosing Party. It shall also not include protection from disciplinary or other action arising from a violation of any of the Company's other policies, including with respect to confidentiality of Company information.
4. The identity of the Disclosing Party shall be kept confidential to the furthest extent possible and permitted under law. However, in case of Anonymous Protected Disclosures, appropriate protection cannot be extended to the Disclosing Party under this Policy.
5. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Disclosing Party.

**OVERSIGHT**

1. The Ethics Committee shall maintain a log of all Protected Disclosures received by it and shall report the status of the Protected Disclosures along with the action taken/recommended to the Chairman of the Audit Committee.
2. The Chairman of the Audit Committee will place the aforesaid log/report before the Audit Committee on a periodic basis.
3. The Audit Committee shall oversee the implementation of this Policy.
4. The Audit Committee shall be free to amend this Policy from time to time.

-----End of Document-----

**PROTECTED DISCLOSURE FORM (PDF)**

To,

**Personal details of the Disclosing Party :**

Name	
Department	
Location	
Date of Joining	
E- mail id	
Communication Address	
Contact No.	

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**Investigation Matter :**

Nature of violation or potential violation of the Code of Conduct	
Person (s) involved ( Name ) [ <i>known as Investigation Subject</i> ]	1. 2. 3.
Department of Investigation Subject(s)	1. 2. 3.
Details of the Violation ( <i>provide details of amount involved, if any</i> )	
Evidence (enclose supporting documents, if any)	
Other Information (if any)	

*I hereby declare, that the accompanying information and supporting documentation (if any) is true and correct, to the best of my knowledge and in complete good faith. I also declare that I am not investigating the above disclosure on my own or through any other person/company.*

**Date:**

**Signature:**

**Notes:**

1. The PDF should be submitted at the earliest possible opportunity, as soon as you become aware of the matter to be reported, but no later than 30 days from such date (unless the delay can be justified).
2. Provide all the details to the extent possible and attach supporting documents (if any) to the Form.
3. Disclosure made should be factual and not speculative or in the nature of a conclusion, and should contain as much
4. If the space provided is not sufficient, attach a separate sheet.