

Whistle Blower Policy

1. Executive Summary

The Company believes in the conduct of the affairs of its various constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior.

The Company has a code of conduct for the Board of Directors and Senior Management Personnel. All associates are governed by the Code of Business Conduct of the Company.

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

Accordingly, the Whistle Blower Policy ("the Policy") has been formulated with a view to provide a mechanism for associates of the Company to approach the Ombudsperson/Chairman of the Audit Committee of the Company to, inter alia, report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or policy.

2. Objective of the Whistle Blower Policy

To provide associates, customers and vendors an avenue to raise concerns, in line with MIC Electronics Limited's commitment to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication. Further, to provide necessary safeguards for protection of associates from reprisals or victimization, for whistle blowing in good faith.

3. Scope

All permanent associates, full time contractual employees, customers and vendors of MIC Electronics Limited.

4. Coverage

MIC Electronics Limited and its wholly owned subsidiaries.

5. Main Features of the Policy

5.1 Improper Practice

The whistle blowing policy is intended to cover serious concerns that could have a large/material impact on MIC Electronics Limited, such as actions (actual or suspected) that

- May lead to incorrect financial reporting.
- Are not in line with applicable company policy.
- Are unlawful.
- Otherwise amount to serious improper conduct.

5.2 Complainant

- a. An associate/customer/vendor making a disclosure (Whistleblower) under this policy is commonly referred to as a Complainant (whistleblower). The complainant's role is as a reporting party, he/she is not an investigator.
- b. Although the complainant is not expected to prove the truth of an allegation, the complainant needs to demonstrate to the Ombudsperson, that there are sufficient grounds for concern.

5.3 Safeguards

- a) Harassment or Victimization
Harassment or victimization of the complainant will not be tolerated and could constitute sufficient grounds for dismissal of the associate concerned.
- b) Confidentiality
Every effort will be made to protect the complainant's identity, subject to legal constraints.
- c) Anonymous Allegations
Complainants must put their names to allegations as follow-up questions and investigation may not be possible unless the source of the information is identified.

Concerns expressed anonymously WILL NOT BE usually investigated. However, subject to the seriousness of the issue raised, the Ombudsperson can initiate an investigation independently.

- d) Malicious Allegations
Malicious allegations by associates will result in disciplinary action.
- e) Ombudsperson
The Ombudsperson will be a person, including a full time senior associate, well respected for his/her integrity, independence and fairness. She/he would be

authorized by the Board of the company for the purpose of receiving all complaints under this policy and ensuring appropriate action.

f) Reporting

The whistle blowing procedure is intended to be used for serious and sensitive issues. Serious concerns relating to financial reporting, unethical or illegal conduct should be reported to the Ombudsperson. The necessary contact details are provided at **Annexure I**.

g) Investigation

All complaints received will be recorded and looked into. If initial enquiries by the Ombudsperson indicate that the concern has no basis, or it is not a matter to be pursued under this policy, it may be dismissed at this stage and the decision documented. Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Ombudsperson alone, or by a 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. The principles of natural justice and equity would be followed. A written report of the findings would be made.

h) Investigation Result

Based on a thorough examination of the findings, the committee (or Ombudsperson) would recommend an appropriate course of action to the Chairman of MIC Electronics Limited. Where an improper practice is proved, this would cover suggested disciplinary action, including dismissal, if applicable, as well as preventive measures for the future. All discussions would be minutes and the final report prepared.

i) Investigation Subject

The investigation subject is the person / group of persons who are the focus of the enquiry / investigation. Their identity would be kept confidential to the extent possible.

j) Reporting

The Ombudsperson will provide quarterly reports to the Chairman of the Company with a copy.

6. Communication with Complainant

The complainant will receive acknowledgement on receipt of the concern. The amount of contact between the complainant and the body investigating the concern will depend on the nature of the issue and the clarity of information provided. Further information may be sought from him/her. Subject to legal constraints, she/he will receive information about the outcome of any investigations.

7. Changes to Policy

This policy can be changed, modified, rescinded or abrogated at any time by the Board of MIC Electronics Limited.

8. Accountabilities

1. Bring to early attention of the company any Associates / Customers / improper practice they become aware of. Although vendors are not required to provide proof, they must have sufficient cause for concern.
2. Avoid anonymity when raising a concern.
3. Co-operate with investigating authorities, maintaining full confidentiality.
4. The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty complaints. Malicious allegations by associates may attract disciplinary action.
5. A complainant has the right to protection from retaliation. But this does not extend to immunity for complicity in the matters that are the subject of the allegations and investigation.
6. In exceptional cases, where the complainant is not satisfied with the outcome of the investigation carried out by the Ombudsperson, he / she can make a direct appeal to the Chairman of the Audit Committee of MIC Electronics Limited.

9. Ombudsperson

Role of the Ombudsperson:

1. Ensure that the policy is being implemented.
2. Ascertain prima facie the credibility of the charge. If initial enquiry indicates further investigation is not required, close the issue.
3. Document the initial enquiry.
4. Where further investigation is indicated carry this through, appointing a Committee, if necessary.
5. Provide quarterly reports to the Executive Chairman of MIC Electronics Limited with a copy to the President - Corporate Affairs & Infrastructure.
6. Acknowledge receipt of concern to the complainant, thanking him/her for initiative taken in upholding the company's business conduct standards.
7. Ensure that necessary safeguards are provided to the complainant.

Further, the Ombudsperson or Committee (i.e Audit Committee), shall, as the case may be:

1. Conduct the enquiry in a fair, unbiased manner.
2. Ensure complete fact-finding.
3. Maintain strict confidentiality.
4. Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom.
5. Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures.

6. Minute Committee deliberations and document the final report.

10. Executive Chairman

Role of the Chairman will be to

1. Table the quarterly reports from the Ombudsperson with the Board on unresolved and contentious issues.
2. Ensure necessary actioning of recommendations of the Ombudsperson / Committee.

11. Investigation Subject

The investigation subject shall

1. Provide full co-operation to the Investigation team.
2. Be informed of the outcome of the investigation.
3. Accept the decision of the Ombudsperson.
4. Maintain strict confidentiality.

*This Whistle Blower Policy has been approved by the Board of Directors of the Company at its meeting 13th February 2014.

Annexure I

Contact Details of the Ombudspersons

Ms Gayathri K U

Independent Director and Chairperson of Audit Committee

Email: csgayathri.upadhyayula@gmail.com

Mr Kaushik Yalamanchili

Managing Director

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