

MEGASOFT'S WHISTLE BLOWER POLICY

PURPOSE

Megasoft Limited (hereinafter referred to as “the Company”) is committed to the highest standards of openness, probity and accountability. An important aspect of accountability and transparency is a mechanism to enable employees of the Company to voice concerns in a responsible and effective manner. It is a fundamental term of every contract of employment with the Company that an employee will faithfully serve his / her employer and not disclose confidential information about the employer’s affairs. Nevertheless, where an employee discovers information which he/she believes shows serious malpractice, impropriety, abuse or wrongdoing within the organisation then this information should be disclosed internally without fear of reprisal, and there should be arrangements to enable this to be done independently of line management (although in relatively minor instances the line manager would be the appropriate person to be informed). The Company has therefore endorsed the provisions set out below so as to ensure that no employee of the Company should feel at a disadvantage in raising legitimate concerns.

APPLICABILITY

All employees and managers of Megasoft Limited who disclose alleged wrongful conduct, as defined in this Policy, and, who, as a result of the disclosure, are subject to an adverse personnel action.

POLICY

No adverse personnel action may be taken against an employee in knowing retaliation for any lawful disclosure of information on a matter of public concern to an Audit Committee, which information the employee in good faith believes and evidences:

- a violation of any law,
- mismanagement,
- Gross waste or misappropriation of public funds,
- A substantial and specific danger to public health and safety, or
- An abuse of authority collectively referred to herein as “alleged wrongful conduct”.

No manager, director, department head or any other employee with authority to make or materially influence significant personnel decisions shall take or recommend an adverse personnel action against an employee in knowing retaliation for disclosing alleged wrongful conduct to the Audit Committee.

DEFINITIONS

- 1 **Abuse of authority:** Action or decision which is outside the scope of the alleged violator's position, scope of duties, or level of authority as authorised by the designee. However, even actions or failure to take actions which are within the

alleged violator's authority may constitute abuse of authority if the violator's motive or purpose is to harass, intimidate, or treat the employee unreasonably or capriciously under the applicable facts and circumstances.

- 2 **Adverse personnel action:** An employment-related act or decision or a failure to take appropriate action by a manager or higher level authority which affects an employee negatively. The following are adverse personnel actions in the Company's personnel system:
 - (i) Termination of employment
 - (ii) Demotion
 - (iii) Suspension
 - (iv) Written reprimand
 - (v) Retaliatory investigation
 - (vi) Decision not to promote
 - (vii) Receipt of an unwarranted performance rating
 - (viii) Withholding of appropriate salary adjustments
 - (ix) Imposition of involuntary transfer or reassignment
 - (x) Elimination of the employee's position
 - (xi) Denial of awards, grants, leaves, benefits, or training for which the employee would normally be eligible
 - (xii) Other significant change in job responsibilities or working conditions which are inconsistent with the employee's position, salary or grade
- 3 **Alleged wrongful conduct:** Violation of law, mismanagement, gross waste or misappropriation of monies, substantial and specific danger to public health and safety or abuse of authority.
- 4 **Audit Committee:** A Committee of the Board of Directors constituted under the Companies Act, 1956 and in terms of clause 49 of the Listing Agreement with the Stock Exchanges where the Company's shares are listed.
- 5 **Conflict of interest:** When an employee is in a position to influence a Company activity or decision in ways that could lead to any matter or form of personal gain to the employee or for his / her family member, or when the employee has a personal vested interest in the activity or decision.
- 6 **Disclosure:** Oral or written report by an employee to the Audit Committee of alleged wrongful conduct on a matter of public concern.
- 7 **Disclosure investigation:** Review and determination made by the appropriate Company officer and/or designees of a disclosure.
- 8 **Gross waste or misappropriation of public funds:** Action or decision which is outside the scope of the alleged violator's spending or budgetary authority, or even when the action or decision is within budgetary authority, the action would be considered by a reasonable person to be grossly excessive, wasteful, or an improper use of public funds.
- 9 **Knowing retaliation:** An adverse personnel action taken by a manager or other

authority against an employee because of a prior disclosure of alleged wrongful conduct.

- 10 **Mismanagement:** Action or decision which exceeds the scope of the alleged violator's responsibilities, or even if the action is within responsibilities, the action would be considered by a reasonable person to be grossly excessive or unfair.
- 11 **Personnel action:** An employment-related action or decision which affects an employee positively or negatively.
- 12 **Managerial employee:** Any manager, director, department head or other employee who has authority to make or materially influence significant personnel decisions.
- 13 **Violation of law:** A violation of local, state or federal law or regulation that is applicable to the Company or its employees.
- 14 **Whistleblower complainant ("Complainant"):** A current or former employee who disclosed alleged wrongful conduct to the Audit Committee and who subsequently is subject to an adverse personnel action as a result of making the prior disclosure.
- 15 **Whistleblower complaint:** A complaint filed by a complainant with a Company officer alleging that an adverse personnel action was taken in retaliation for a prior disclosure of alleged wrongful conduct to the Audit Committee.
- 16 **Whistleblower complaint review:** A review by a Company officer or committee of a whistleblower complaint, resulting in a written decision which the Company officer provides to the complainant.

PROCEDURE FOR DISCLOSURE, ENQUIRY AND DISCIPLINARY ACTION

How to disclose a Concern?

An employee intending to make any disclosure of a Concern is required to disclose all relevant information regarding the Concern in a signed written document not later than 3 months on which he/she knew of the Concern.

If the employee is unwilling or unable to put a disclosure in writing, the Company officer who investigates the disclosure will prepare a written summary of the employee's disclosure and provide a copy to the employee. No later than 10 days after receipt of the summary, the employee may submit a written supplement to the Company officer who prepared the summary. Failure to submit a supplement within 10 days will constitute acceptance of the summary as an accurate statement of the disclosure made by the employee.

To whom should a Concern be disclosed?

The Concern should be disclosed through E-mail or telephone, fax or any other method to the following persons each of whom has been designated as "Ombudsman".

- Chairman

- Managing Director
- Executive Director

Who will investigate into the Concern?

The Concern shall be investigated by the Ombudsman either by himself or through any other person as may be deemed necessary by the Ombudsman. A copy of the Concern disclosed shall be furnished to the Investigating Officer for information.

Procedure for handling the disclosed Concern

Once any disclosure of Concern has been made by an employee, the Ombudsman to whom the disclosure has been made shall pursue the following steps:

- 1) Obtain full details and clarifications of the complaint.
- 2) Consider the involvement of the Company's Auditors or the Police or any other external investigation agency or person.
- 3) Fully investigate into the allegation with the assistance where appropriate, of other individuals / bodies.
- 4) Prepare a detailed written report and submit the same not later than 30 days from the date of disclosure of Concern.
- 5) Whilst the purpose of this policy is to enable the Company to investigate Concerns raised by the employees and take appropriate steps to deal with it, the Company will give the employee as much feedback as the Company can.
- 6) The Company may not be able to inform the employee the precise action the Company takes where this would infringe a duty of confidence owed by the Company to someone else.
- 7) The Company will take steps to minimise any difficulties, which the employee may experience as a result of raising the Concern. Thus, if the employee is required to give evidence in criminal or disciplinary proceedings the Company will arrange for the employee to receive advice about the procedure, etc.

Procedure to be pursued

The Ombudsman shall pursue the following steps:

- 1) The Ombudsman based on the findings in the written report by the Investigating Officer and after conduct of such further investigation as deem fit, come to a final decision in the matter not later than 30 days from the date of receipt of the written report from the Investigating Officer.
- 2) If the complaint is shown to be justified, then the Ombudsman shall invoke the disciplinary or other appropriate action against the defaulting employee as per the Company procedure.
- 3) A copy of the decision in writing shall be provided to the Company Secretary for placing at the meeting of the Audit Committee held immediately after the date of such a final decision.
- 4) All decisions by the Ombudsman shall be by way of a simple majority. In the case of a tie, the matter should be referred to the Audit Committee, as the case may be, for a final decision in the matter.

Appeal against the decision of the Ombudsman

If the Complainant or the person complained against is not satisfied with the decision of the Ombudsman, then either of the Parties could prefer an appeal against this decision before the Audit Committee and the decision of the Audit Committee in the matter will be final and binding on all the parties. Appropriate appeal procedure may be formulated by the Audit Committee.

Anonymous Allegations

This policy encourages employee to put his/her name to any disclosures he/she makes. Concerns expressed anonymously are much less credible, but they may be considered for further action at the sole discretion of the Company. In exercising this discretion, the factors to be taken into account will include:

- The seriousness of the Concern raised
- The credibility of the Concern
- The likelihood of confirming the allegation from attributable sources

Untrue Allegations

If an employee makes an allegation in good faith, which is not confirmed by subsequent investigation, no action will be taken against that employee. In making a disclosure the employee should exercise due care to ensure the accuracy of the information.

Maintaining confidentiality of the Concern as well as the disclosure

The employee making the disclosure of Concern as well as any of the persons to whom the Concern has been disclosed or any of the persons who will be investigating or deciding on the investigation as well as the members of the Audit Committee shall not make public the Concern disclosed except with the prior written permission of the Audit Committee. However, this restriction shall not be applicable if any employee is called upon to disclose this issue by any judicial process and in accordance with the laws of land.

COMPLAINTS OF RETALIATION AS A RESULT OF DISCLOSURE

If an employee believes that he or she has been retaliated against in the form of an adverse personnel action for disclosing Concern under this policy he/she may file a written complaint to the Ombudsman requesting an appropriate remedy.