



## **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

TCL & Subsidiaries / Policy / Anti Bribery & Anti-Corruption/ 2017

### **TATA CLEANTECH CAPITAL LIMITED**

Registered Office One Forbes Dr V B Gandhi Marg Fort Mumbai 400 001 India  
Tel 91 22 6745 9000 Fax 91 22 6610 6722 Web [www.tatacleantechcapital.in](http://www.tatacleantechcapital.in)  
Corporate Identity Number U65923MH2011PLC222430



November 17, 2017

## ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

### I. Policy Statement and Purpose

1. One of the core principles set out in the Tata Code of Conduct 2015 states: *'We are committed to operating our businesses conforming to the highest moral and ethical standards. We do not tolerate bribery or corruption in any form. This commitment underpins everything we do.'*

Our Company, having adopted the Tata Code of Conduct 2015, is therefore committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates, and to implementing and enforcing effective systems to counter bribery. This includes compliance with all laws, domestic and foreign, prohibiting improper payments, gifts or inducements of any kind to or from any person, including officials in the private or public sector, customers and suppliers. Our Company is equally committed to the prevention, deterrence and detection of bribery and other corrupt business practices.

2. Bribery and corruption can take many forms including cash or gifts to an individual or family members or associates, inflated commissions, fake consultancy agreements, unauthorized rebates, non-monetary favours and false political or charitable donations. These actions may be undertaken directly or through a third party. It is illegal and immoral to, directly or indirectly, offer or receive a bribe.
3. We uphold all laws relevant to countering bribery and corruption applicable to us in the conduct of our business across all the jurisdictions in which we operate including, wherever applicable, the U.S Foreign Corrupt Practices Act ("**FCPA**"), the UK Bribery Act ("**UKBA**") and the Indian Prevention of Corruption Act, 1988 ("**PCA**"). Different statutes adopt different yardsticks to determine whether or not a particular act or omission is an offence thereunder; thus an act may be an offence under one statute, but not under another. The FCPA makes it a federal crime for companies or individuals to bribe government officials in non-U.S. countries in order to obtain or retain business, or to secure improper business advantages. The FCPA also requires public companies or issuers (U.S. and non-U.S. companies that trade securities on a U.S. stock exchange), to keep accurate books and records, and to have an adequate system of internal financial and accounting controls. The UKBA prohibits bribery in both, the public and private sectors. Under the PCA, bribery of government officials and agents, whether directly or indirectly, is strictly prohibited.

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4. It would also be pertinent to note the impending amendments proposed to be introduced upon enactment of the Prevention of Corruption (Amendment) Bill in India which are intended to strengthen the legislative framework of the PCA and include:
- 'supply' side of bribery (i.e. bribe giving) to be covered by making it a substantive offence under the PCA;
  - a company could be held liable under the PCA as an offender if any person 'associated' with the company gives a bribe. However, a company would be able to defend itself by proving that it had in place adequate procedures (such as a robust ABAC program) designed to prevent persons associated with it from undertaking such conduct; and
  - every director, manager, secretary or other officer with whose 'consent or connivance' the offence was committed, to be made liable under the PCA.
5. In addition to the PCA, the following laws in India also presently apply to offences relating to or resulting in corruption and bribery and resolutions available in case of occurrence of corruption or bribery:
- i) Indian Penal Code, 1860 ("IPC");
  - ii) Prevention of Money Laundering, 2002;
  - iii) Central Vigilance Commission Act, 2003;
  - iv) Lok Ayukta Acts of various states.
6. The purpose of this model Anti-Bribery and Anti-Corruption Policy ("**ABAC Policy**") is to ensure that our Company sets up adequate procedures in order to prevent our Company's involvement in any activity relating to bribery, facilitation payments, or corruption, even where the involvement may be unintentional. It requires employees, directors, officers of the Company and third parties subject to this ABAC Policy to recognize questionable transactions, behaviour or conduct, and to take steps to record, comply and follow procedures set in place to deal with such behaviour or conduct.
7. While an exhaustive list cannot be provided, set out below are indicative questionable transactions or situations that **Designated Persons** (*as defined below*) should be careful about – which, when appearing together or individually, should raise a 'red flag':
- i) A contract requires the use of a third-party consultant where the third party's principal or owner is a government official;
  - ii) The business lacks qualifications or resources i.e. the potential business partner does not appear capable of performing the services being offered. Sham service contracts, under which corrupt payments are disguised using a consulting agreement or other arrangement are typical modalities for indulging in bribery or corrupt activities;



- iii) Any potential partner who provides guarantees of success or claims to have the ability to obtain licenses or other government approval without providing a description of a legitimate manner by which those goals will be accomplished;
  - iv) Transactions involving unusual payment patterns or financial arrangements. Accordingly, a request to pay unusually high commissions is a warning sign of possible corruption. A request to deposit commissions in multiple bank accounts, perhaps in offshore banks, also justifies additional scrutiny;
  - v) A potential counterparty who refuses to accept an ABAC or anti money laundering clause in the proposed contract;
  - vi) Based on pre-acquisition / counterparty due diligence, it becomes apparent that the potential counterparty has a reputation for offering bribes or violating other laws or indulging in unusual structured transactions;
  - vii) Inflated payouts to, or questionable role in the project of potential counterparty or its affiliate;
  - viii) A proposed counterparty resists or fails to provide details of parentage or has undisclosed principals, associates or subcontractors with whom it splits fees;
  - ix) A proposed counterparty refuses access to its books and records where requested under the proposed contract.
8. This ABAC Policy constitutes a minimum standard. It must be complied with in any country in which our Company does business even when the policy is stricter than the anti-bribery laws that are applicable, including both applicable local laws and those laws with extra-territorial application. However, when applicable anti-bribery laws are stricter than this policy, such laws must be complied with. In case of any doubts, Designated Persons must contact our Company's **Compliance Officer** (as defined below).
9. The guidelines in this ABAC Policy supplement the Tata Code of Conduct 2015 ("**TCoC 2015**") and should be read in conjunction with:
- a) TCoC 2015;
  - b) the Whistleblower Policy;
  - c) Any guidance published pursuant to this policy;
  - d) Any other relevant policies as may be implemented from time to time.
10. Because no code of conduct or policy can cover every possible situation, our Company relies on the Designated Persons to use good judgment and to speak up when they have either questions or concerns.



## II. SCOPE AND APPLICABILITY

This ABAC Policy is applicable to our Company. Our Company shall recommend adoption of this ABAC Policy to the Boards of its subsidiaries, associates and joint ventures.

This ABAC Policy is applicable to all individuals working at all levels and grades, including directors, senior managers, officers, other employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, interns, seconded staff, casual workers and agency staff, agents, or any other person associated with our Company and such other persons, including those acting on behalf of our Company, as designated by the Compliance Officer (*as defined below*) from time to time (all of the aforesaid being collectively referred to as “**Designated Persons**”).

Designated Persons have a special responsibility to comply with this ABAC Policy, and ensure that our Company’s procedures and measures to combat ABAC risks and threats are upheld and strengthened. If in doubt whether an act would breach this ABAC Policy, the Designated Person must take a step back and ask oneself the following on a contemplated action:

- What is the intent – is it to build a relationship or is it something else?
- How would it look if these details were on the front page of a major newspaper?
- What if the situation were reversed – would there be a double standard?

Whenever faced with a doubt on the applicability of this ABAC Policy, or if an act could be perceived to be a breach of this ABAC Policy, consult the Ethics Counsellor or the Compliance Officer.

## III. COMPLIANCE OFFICER

The Company shall, from time to time, designate an employee of sufficient seniority, competence and independence as the compliance officer to ensure compliance with the provisions of this ABAC Policy (“**Compliance Officer**”) and the same shall be notified to the Designated Persons. All reports, complaints, doubts or concerns in relation to this ABAC Policy shall be raised by the Designated Persons to the Compliance Officer or to the Company Ethics Counsellor. Every query or concern raised by any Designated Person in relation to any suspected violation of this ABAC Policy shall be investigated by the Compliance Officer.

All queries, concerns or complaints received by the Company Ethics Counsellor dealing with a bribery or corruption issue should be reported to the Compliance Officer by the Company Ethics Counsellor. Any action required to be undertaken under this ABAC Policy shall be taken by the Compliance Officer in accordance with this ABAC Policy. The Compliance Officer shall have a functional reporting to the Designated Director (*as defined below*) and shall submit quarterly compliance reports to the Designated Director. Aggravated cases of breach of this ABAC Policy shall be escalated to the Board of Directors of the Company (“**Board**”).



The following directors/employees are the Designated Directors/Compliance Officers for the purpose of this Policy.

Name of the Company	Compliance Officer	Designated Director
TCCL	Ms. Shivangi Rajpopat	Ms. Padmini Khare Kaicker

#### IV. Definitions

##### 1. **Bribery**

Bribery includes the offer, promise, giving, demand or acceptance of an undue advantage as an inducement for an action which is illegal, unethical or a breach of trust. Bribes often involve payments (or promises of payments) but may also include anything of value - providing lavish/inappropriate gifts, hospitality and entertainment, inside information, or sexual or other favours; offering employment to a relative; underwriting travel expenses; abuse of function; or other significant favours. Bribery includes advantages provided directly, as well as indirectly through an intermediary. TCoC 2015 and this ABAC Policy prohibits Designated Persons from giving bribes not only to any public/government official but also to any private individual. Bribery in any form will not be tolerated.

##### 2. **Corruption**

Corruption includes wrongdoing on the part of an authority, or those in power, through means that are illegitimate, immoral, or incompatible with ethical standards.

##### 3. **Public Official (Government Official or Public Servant) / Foreign Public Official**

In the Indian context, a public official would include (but not be limited to) the following:

- a. any person holding a legislative, executive or administrative office of the government (domestic or foreign), or acting in the official capacity for or on behalf of a legislative, executive, or administrative office of the government (domestic or foreign), whether appointed or elected, whether permanent or temporary, whether paid or unpaid, irrespective of that person's seniority;
- b. any person in the service or pay of the government or of a corporation established by or under a central, provincial or state statute, or an authority or a body owned or controlled or aided by the government or a government company or is remunerated by the government by fees or commission for the performance of any public duty;



- c. any judge, including any person empowered by law to discharge, whether by himself/herself or as a member of any body of persons, any adjudicatory functions;
- d. any person authorised by a court of justice to perform any duty, in connection with the administration of justice, including a liquidator, receiver or commissioner appointed by such court;
- e. any person who performs a public duty, including for a public agency or public enterprise, or provides a public service, as defined in the domestic law of the country and as applied in the pertinent area of law; and
- f. any other person defined as a “public official” under the domestic law.

*“State” means all levels and subdivisions of governments (i.e., local, regional, or national and administrative, legislative, or executive).*

#### **Foreign public official**

Under non-Indian ABAC laws, what constitutes a “foreign official” or “foreign public official” is interpreted broadly and includes officials from all branches of government, as well as public international organizations, regardless of whether the official is a paid or unpaid employee. The term also includes political parties, party officials, and candidates for public office. Further it includes employees or agents of state-owned or state-controlled enterprises and means any person acting in an official capacity on behalf of any government department, agency, instrumentality, or corporation, family members of the official, as well as a political party official or any candidate for political office.

#### **4. Facilitation payment or kickbacks**

“Facilitation Payments” are unofficial payments made to public officials in order to secure or expedite the performance/ non-performance of a routine or necessary action. They are sometimes referred to as 'speed' money or 'grease' payments or 'good-will money'. The payer of the facilitation payment usually already has a legal or other entitlement to the relevant action. “Kickbacks” are typically payments made in return for a business favour or advantage.

#### **5. Third party**

The term “third party” includes any individual or organization, who/which comes into contact with the Company or transacts with the Company, and also includes actual and potential clients, vendors, consultants, retainers, agents, advisors, distributors, business associates, partners (including academic institutions), contractors, suppliers or service providers who work for and on behalf of the company.



## 6. *Improper performance*

Breach of an expectation that a person will act in good faith, impartially or in accordance with a position of trust amounts to improper performance. This would also include obtaining, agreeing to receive, accepting, or attempting to obtain, an undue advantage for acts to be performed properly.

## V. WHAT IS CORRUPTION

1. Corruption can take place in many types of activities. It is usually designed to obtain financial benefits or other personal gain. For example, bribes are intended to influence behaviour – they could be in the form of money, a privilege, an object of value, an advantage, or merely a promise to influence a person in an official or public capacity. Usually, two people are involved and both would benefit. Examples of a bribe include offering or receiving of cash in the form of a kickback, loan, fee or reward, or giving of aid, donations, or voting designed to exert improper influence.
2. The areas of business where corruption, including bribery, can most often occur include:
  - a. Gifts, Entertainment and Hospitality;
  - b. Facilitation Payments;
  - c. Procurement Process;
  - d. Political, Community or Charitable Contributions;
  - e. Improper Performance of Duties;
  - f. Favours Regarding Recruitment Opportunities.
3. In the Indian context, the ingredients of an act of bribery under the PCA are<sup>1</sup>:
  - a. Any **gratification** to a public servant for **doing or forbearing to do** an official act or favour/ disfavour to any person.
  - b. Any **gratification** to any person for **inducing any public servant** by corrupt/ illegal or personal influence to do/ forbear from doing an official act or to show favour/ disfavour to any person.
  - c. Providing of any **valuable thing**, without adequate payment for the same, to a public servant by a person who has or is likely to have **official dealings** with the public servant.

Violators of the PCA shall be subject to fines and/or imprisonment. Liability could also be attributed to a company, if an employee/agent acted within the scope of employment, to obtain benefit for such a company. The PCA and recent judgments of the Supreme Court of India have made it clear that private persons can be prosecuted under the PCA along with public servants





for having abetted the offence of bribery. Improper Performance could lead to accusations of criminal breach of trust, which is an offence under the Indian Penal Code (IPC). The IPC also penalises abetment as an offence. Under the IPC any person who intentionally aids, by any act or illegal omission, the doing of a thing, or engages with a person/persons in a conspiracy for the doing of a thing, is guilty of the offence of abetment. Additionally, a person could also be prosecuted for offenses of cheating and/or criminal breach of trust under the IPC.

#### **GIFTS, ENTERTAINMENT AND HOSPITALITY**

4. Gifts, entertainment, and hospitality may be acceptable if they are reasonable, proportionate, made in good faith and in compliance with the Company's policies, inclusive of *Section D, Clause 11* and *Section G, Clause 4* of the TCoC 2015, our Company's Gifts & Hospitality Policy (copy available on the company Intranet), and various advisories issued from time to time under the foregoing. Any doubts in this regard should be clarified with the Company Ethics Counsellor or the Compliance Officer.
5. What is a "Gift"? A gift is anything of value and would encompass any gratuitous monetary or non-monetary benefit. It includes tangible items such as cash, precious metals, stones, jewelry, art, and any of their equivalents, but also intangible items such as discounts, services, loans, favours, special privileges, advantages, benefits and rights that are not available to the general public. A "gift" also includes meals, entertainment, hospitality, vacations, trips, use of vacation homes, tickets to sporting or music events, outings, vendor familiarization trips, and use of recreational facilities. Under no circumstances should any Designated Persons ever solicit a gift from any person or company that is doing, or seeks to do, business with the Company. Note that meals, entertainment and hospitality may also qualify as a gift, unless they fall within reasonable bounds of value and occurrence.
6. Designated Persons must familiarize themselves with our Company's Gifts & Hospitality Policy.
7. Offering gifts in order to win or keep business is unethical and, in many cases, illegal. If you find it difficult to provide a comfortable answer to questions on appropriateness of a gift, or if you are unsure if you should accept something of value, each Designated Person must ask the Compliance Officer. If your Compliance Officer is conflicted, seek guidance from the Designated Director.
8. Note that this ABAC Policy is applicable whether a Designated Person is personally offered a gift, or if a gift is offered for the benefit of a specific group or department at the Company (including as a prize to be distributed at a party or event). All gifts received should be promptly reported to the Compliance Officer if they are not in the ordinary course of business, in compliance with all policies issued by the Company and as per applicable law. Gifts of cash or cash equivalents must never be accepted.
9. A Designated Person may give a modest gift to a government or other public official only when it is appropriate, allowed by local law, and in accordance with our Company's Gifts and Hospitality Policy.



10. Designated Persons are prohibited from offering gifts or granting favours outside the ordinary course of business to current or prospective customers, their employees or agents or any person (including but not limited to Government Officials) with whom the company or its business associates have a contractual relationship, or intend to negotiate an agreement. No Designated Person should accept or solicit any personal benefit from anyone in the course of business in a manner that might compromise, or appear to compromise their objective assessment.
11. As a general guide, the giving or receiving of gifts or hospitality may be acceptable if it meets all the following requirements:
- a) Is bona-fide and made in the normal course of business and does not create the appearance (or an implied obligation) that the gift giver is entitled to preferential treatment, an award of business, better prices, or improved terms of sale or service;
  - b) Complies with local laws and customs (including cultural and religious festivals) and is not prohibited under applicable law;
  - c) Would not influence, or appear to influence, or cause a conflict of interest for the gift giver or receiver;
  - d) Does not include cash or cash equivalents, gold or other precious metals, gems or stones;
  - e) Does not include any form of services or non-cash benefits such as promise of employment;
  - f) Disclosure of the same does not cause embarrassment to the giver or receiver or to the company in question;
  - g) Is fully documented and supported by original receipts and accurately recorded in the books of accounts;
  - h) Is given openly, not secretly and in a manner that avoids the appearance of impropriety.

In addition to the above, each Designated Person is required to be in compliance with the specific guidelines set out in the Company's Gifts and Hospitality Policy, including in relation to maximum values permitted.

## VI. FACILITATION PAYMENTS OR KICKBACKS

1. All Facilitation Payments and kickbacks are corrupt payments, and any such payment in the course of our Company's business is strictly forbidden.
2. Facilitation Payments are often involved in obtaining non-discretionary permits, licenses or other official documents, expediting lawful customs clearances, obtaining the issuance of entry or exit visas, providing police protection, whether or not such actions are connected to the award of new business or the continuation of existing business.

## VII. PROCUREMENT PROCESS

Designated Persons must follow our Company's processes and adhere to the system of internal controls around supplier selection. Supplier selection should never be based on receipt of a gift, hospitality or payment. When supplier selection is a formal, structured invitation for the supply of products or services (often called a 'tender'), it is most important we maintain



documentation supporting our internal controls. Designated Persons must familiarise themselves with our Company's procurement processes and must adhere to the same.

#### **VIII. INTERACTION WITH CUSTOMERS**

1. Where a Designated Person is responsible for relationships with customers, she/he may entertain customers for bona-fide purposes only in accordance with our Company's Gifts & Hospitality Policy. Records of such entertainment should be maintained as per our Gifts & Hospitality Policy.
2. Bribery may also occur on the sales side, for example an employee might accept a bribe to prefer one customer over another, again with potentially damaging consequences for relationships with other customers, as well as the legal consequences to our Company.
3. In the normal course of business, discounts and rebates are offered to customers in both the private and public sectors. While this is common industry practice, the wide variety of arrangements and the relative complexity of some of them creates a degree of risk that such arrangements could be used to disguise improper inducements to individual customer representatives (for example, selective dissemination of the fact that free products are being provided), and consequently great care needs to be exercised in the deployment of such arrangements.

#### **IX. USE OF THIRD PARTY AGENTS, CONSULTANTS AND OTHER INTERMEDIARIES**

1. Our Company may be held responsible for bribes paid on its behalf by third parties, with severe and often irreparable consequences, even if our Company did not authorize these payments. Therefore, it is critical that we are careful in the selection of agents, that is, those people or companies who act on our behalf.
2. All dealings with suppliers, agents, contractors, service providers, intermediaries, consultants, and advisors, shall be carried out with the highest standards of integrity and in compliance with all relevant laws and regulations. We expect all our third parties to share our values and our ethical standards.
3. The following should be kept in mind prior to engaging a third party:
  - a. Appropriate due diligence is conducted and properly documented;
  - b. Formal commitment (in writing) is sought from the third party to ensure compliance to these standards;
  - c. Appropriate anti-bribery and anti-corruption provisions are incorporated in the contracts in consultation with our Company's Legal team, including the right to audit, as well as a clause



on termination, if the partner/party fails to abide by the anti-bribery and anti-corruption terms.

## X. GOVERNMENT INTERACTION

1. Section I, Clause 2 of TCoC 2015 states “*We engage with the government and regulators in a constructive manner in order to promote good governance. We conduct our interactions with them in a manner consistent with our Code* “. Doing business with the government is highly regulated and typically follows stricter rules than those in the commercial marketplace. If you work with government officials or a government-owned (or partially-owned) company, you have a special duty to know and comply with applicable laws and regulations, adhere to the highest standards of integrity and avoid even the appearance of impropriety. Our Company may interact with the government, government officials and government agencies in multiple forms, such as: for seeking statutory or regulatory approvals, as a supplier, as a customer, etc. Designated Persons should always be truthful, accurate, co-operative and courteous while representing our Company before any government, government officials and government agencies.
2. Our Company and employees shall not, unless mandated under applicable law and our Company’s Corporate Social Responsibility (“**CSR**”) Policy, offer or give any company funds or property as donation to any government agency or its representative, directly or through intermediaries. However, in the Indian context for example, donation of our Company’s funds or property to the Prime Minister’s Relief Fund or donations towards disaster relief may be permitted pursuant to our Company’s CSR Policy. The Company shall comply with government procurement regulations and shall be transparent in all its dealings with government agencies.

## XI. POLITICAL COMMUNITY AND CHARITABLE CONTRIBUTIONS

1. Section I, Clause 1 of TCoC 2015 states: “*We shall act in accordance with the constitution and governance systems of the countries in which we operate. We do not seek to influence the outcome of public elections, nor to undermine or alter any system of government. We do not support any specific political party or candidate for political office. Our conduct must preclude any activity that could be interpreted as mutual dependence / favour with any political body or person, and we do not offer or give any company funds or property or other resources as donations to any specific political party, candidate or campaign.*

*Any financial contributions considered by our Board of Directors in order to strengthen democratic forces through a clean electoral process shall be extended only through the Progressive Electoral Trust in India, or by a similar transparent, duly-authorized, non-discriminatory and non-discretionary vehicle outside India”.*

Designated Persons are not allowed to make political contributions from the funds, properties or other resources of our Company except political contributions approved by the Board in accordance with the TCoC and in compliance with applicable law. Our Company may make charitable donations for humanitarian needs and other factors, including emergency situations



and disaster relief. Such contributions must be made in compliance with our Company's Corporate Social Responsibility Policy. A copy of the same is available on the company Intranet. However, it is important that we pay special attention when making donations such that they shall be made without demand or expectation, so that our donations would not be considered inducements, as this would be a violation of the anti-corruption laws, the TCoC and this ABAC Policy. Thus, contributions by the Company to community projects or charities need to be made in good faith and in compliance with our TCoC, this ABAC Policy and all other relevant policies and procedures.

2. Before making such a contribution, the Designated Persons should ensure that:
- a) Such charitable contributions are not dependent on, nor made to win, a business deal.
  - b) The contribution is always made to the charity and not to any particular individual, except where donations or grants are provided directly to affected victims of natural disasters, pursuant to our Company's CSR policy.
  - c) Contributions should be given to entities where the end use of the contribution is known and/or controlled.
  - d) Contributions should only be made to charitable organisations which are registered under the laws of the country.
  - e) As far as possible, background checks on the charitable organisations should be carried out in all cases specially to ensure that the charity does not act as a conduit to fund illegal activities in violation of anti-money laundering laws, anti-terrorism laws and other applicable laws.
  - f) Only such charitable contributions shall be made that are legal and ethical under local laws and practices.

## XII. SPONSORSHIPS

Sponsorships are closely allied to the various types of community / business activities undertaken by our Company. These could range from sponsoring educational scholarships to local sports teams. Any sponsorship must be for genuine business or charitable objectives without any element of quid pro quo. Any such sponsorship must be transparent, duly approved, properly documented and duly reported as per our Company's CSR Policy.



### **XIII. MERGERS AND ACQUISITIONS**

1. A company that does not perform adequate due diligence regarding compliance with anti-bribery and anti-corruption procedures of the target company prior to a merger or acquisition may face both legal and business risks. Our Company will undertake appropriate and reasonable due diligence on the reputation and integrity of any business in which it makes investments.
2. Our Company, when it is acquiring a potential target, will train new employees, re-evaluate third parties under company standards and where appropriate, conduct audits on new business units.

### **XIV. CONFLICTS OF INTEREST**

1. Section D, Clauses 24 through 28 of TCoC 2015 provide detailed guidance on assessment of potential situations of conflict of interest. Any conflict of interest, even if it is perceived or potential, reported to the Company Ethics Counsellor or the Compliance Officer, must be in turn reported to the appropriate competent authority as defined in TCoC 2015, and actioned as per the guidance provided in the TCoC.

### **XV. BOOKS, RECORDS, AND INTERNAL CONTROL REQUIREMENTS**

1. Accurate and complete recordkeeping is essential to the successful operation of our Company, as well as to our ability to meet our legal and regulatory obligations. Each Designated Person has a responsibility to be accurate, complete and honest in what he/she reports and records to meet regulatory requirements, as well as in all internal and external documents of our Company, including accounting records, time cards, expense reports, invoices, payroll records, safety records, business records, performance evaluations, etc.
2. Expenses must never be hidden or purposefully misclassified. Many serious global bribery and corruption scenarios are found to involve inaccurate record-keeping. To prevent this, international anti-corruption laws generally require detailed and accurate accounting records for transactions, including cash and bank accounts. All Designated Persons must ensure that we maintain accurate books, records and financial reporting.
3. All business units and entities must maintain an effective system of internal control and monitoring of our transactions. Certain monitoring controls are identified in our policies, specifically regarding approval of travel and entertainment expenses. It is the responsibility of the Designated Persons to be knowledgeable about control procedures and ensure compliance. Designated Persons are required to ensure that all expense claims relating to hospitality, gifts or charitable donations are submitted in accordance with applicable policies and specifically record the reason for the expenditure.
4. Designated Persons are required to maintain all financial records and have appropriate internal controls in place which will evidence the business reason for making payments to or receiving payments from third parties.



5. All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as customers, suppliers and business contacts, should be prepared and maintained with accuracy and completeness. Our records management and retention policies ensure that we maintain the records we need to meet our legal, tax and regulatory requirements and securely dispose of records that are no longer needed or are beyond the statutory retention period. Designated Persons should take care never to dispose of information that may be relevant to current or threatened litigation or subject to a legal prohibition or stipulation until they are authorized in writing to do so by the relevant department.
6. Designated Persons who see or suspect financial misconduct should notify their supervisors immediately, and contact the Compliance Officer.

#### **XVI. COMMUNICATION AND COMPLIANCE TRAINING**

1. It is our commitment to ensure that our Company has adequate procedures to combat ABAC risks and threats. To meet this objective, regular training will be made available to all business units in relation to our ABAC Policy, obligations of Designated Persons, company procedures and measures. The details of our Company's whistleblowing procedures will be disseminated throughout our Company and will be so done on a regular basis.
2. Training will be conducted either on-line or in-person or a combination of both and will be administered by the Compliance Officer. The training will be required to be completed within a specified timeframe. The Designated Persons must not treat these training programs as a 'one-time' event and Designated Persons are expected to keep themselves up to date by undergoing repeat training at regular intervals or each time a training program is updated.
3. Our Company may also extend training programs to third parties, if it is envisaged that the work profile allocated to them carries a significant risk as per this ABAC Policy.

#### **XVII. HOW TO RAISE CONCERNS**

1. Every Designated Person is encouraged to raise concerns about any bribery issue or suspicion of malpractice or any case of corrupt practice or any breach of this ABAC Policy or applicable ABAC law at the earliest possible stage. If he/she is unsure whether a particular act constitutes bribery or corruption or if he/she has any other queries, these should be raised with the respective reporting manager and the respective Compliance Officer. Concerns/queries should be addressed to the respective Compliance Officers at the following email addresses:



Name of the Company	Compliance Officer	Email address
TCCL	Ms. Shivangi Rajpopat	abactccl@tatacapital.com

2. Designated Persons may also raise concerns or queries to the Ethics Counsellor through the 'Raising Concerns' mechanism under the TCoC or through the 'Whistleblower Policy' which is intended to encourage and enable employees, and other stakeholders, to raise serious concerns internally. Our Company's 'Whistleblower Policy' is available on the company Intranet.
3. No personnel who in good faith, reports a violation of the ABAC Policy shall suffer harassment, retaliation or adverse employment consequences.

#### XVIII. RESPONSIBILITY AND PENALTIES

1. Our Company takes the subject of corruption and bribery very seriously. Any violation of this ABAC Policy will be regarded as a serious matter and shall result in disciplinary action, including termination, consistent with applicable law and the employee's terms of employment.
2. Bribery is a criminal offense. The defaulting Designated Person will be accountable whether she/he pays a bribe herself/himself or authorizes, assists, or conspires with someone else to violate this ABAC Policy or an anti-corruption/anti-bribery law. Punishments for violating the law are against a defaulting Designated Person as an individual and may include imprisonment, probation, and significant monetary fines which will not be paid by the Company. For example, punishment under the PCA ranges between 6 months and 5 years, along with a fine. In certain cases of habitual offenders imprisonment could be as high as 7 years. There is no limit on the maximum fine payable.
3. In case of violations of this ABAC policy, the Compliance Officer shall take appropriate steps such as:
  - a) Assigning an Investigation Team / committee: Employees with the right knowledge and objectivity are appointed to investigate a complaint.
  - b) Conducting an Investigation: Every investigation relating to a suspected violation of this ABAC Policy shall be investigated by the Compliance Officer together with other members assigned under sub-clause (a) above. The objective of such an investigation would be to determine the facts, through interviews with concerned participants and/or review of documents. Such investigation team will make a written demand for information, records etc. that is reasonably related to the alleged offence, including, without limitation: (a) copies or access to all records relating to the alleged offence (such as telephone records, Internet service records and/or other records stored on computer hard drives or other information storage equipment); and/or (b) a written statement made by the Designated Person, if any, setting out in detail all of the facts and circumstances of which such a





Designated Person is aware with respect to the alleged offence. Each Designated Person shall co-operate with the investigation team and promptly respond to all requests for information. It is clarified that the report prepared by the investigations team, shall be kept confidential and shall be shared only with such persons who have a “need to know” under applicable law or Company Policies, e.g. a copy of the report may be shared with the Designated Director.

- c) Corrective Action: If necessary, corrective actions shall be prescribed or suggested to appropriate managers, officers and employees for implementation.
  - d) Penalties: The Compliance Officer shall, after considering inputs, if any, from the Company Ethics Counsellor and the Designated Director have the discretion to recommend appropriate disciplinary action, including suspension and termination of service of such a defaulting Designated Person. The Compliance Officer shall also recommend if the violation is potentially criminal in nature and should be notified to the authorities. In the event of criminal or regulatory proceedings, the Designated Persons shall co-operate with relevant authorities. Depending on the nature and scale of default by the defaulting Designated Person, the Compliance Officer may also recommend to the Board to commence civil and/or criminal proceedings against such a Designated Person in order to enforce remedies available to our Company under applicable laws.
4. All internal investigations shall follow principles of natural justice and shall ensure that the relevant Designated Person is provided with an opportunity to make his/her case before the investigation team.

#### **XIX. PERIODIC REVIEW AND EVALUATION**

1. Our Company's Audit Committee will monitor the effectiveness and review the implementation of this ABAC Policy, considering its suitability, adequacy and effectiveness.
2. Our Company reserves the right to vary and/or amend the terms of this ABAC Policy from time to time.

**Avijit Bhattacharya**

**Chief Human Resources Officer**

TCL & Subsidiaries / Policy / Anti Bribery & Anti-Corruption/ 2017

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