

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

**Dated: September 21, 2021**

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**I. PURPOSE**

- a. One of the core principles set out in the Tata Code of Conduct 2015 (“**TCOC**”) 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.’*
- b. Tata International Limited (“Tata International”/“Company”), having adopted the TCOC, is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates, and to implementing and enforcing adequate procedures to counter bribery and corruption. This includes compliance with all laws, domestic and foreign, prohibiting improper payments, gifts or inducements of any kind to or from any person, including private or public officials, customers and suppliers.
- c. The purpose of this Anti-Bribery and Anti-Corruption Policy (“**ABAC Policy**”) is to outline guiding principles and adequate procedures to prevent any activity or conduct relating to bribery, facilitation payments, or corruption.
- d. It requires all Tata International Personnel (defined below) to recognize questionable transactions, behaviour or conduct, and to take steps to comply, record and follow the procedures set in place to deal with such behaviour or conduct.

**II. SCOPE AND APPLICABILITY**

- a. 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.
- b. 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 “**Tata International Personnel**”).
- c. Tata International Personnel must comply with this ABAC Policy and ensure that our Company’s procedures and measures to mitigate ABAC risks and threats are upheld and strengthened. If in doubt whether an act would breach this ABAC Policy, the Tata International Personnel must take a step back and ask oneself the following on a contemplated action:
  - i. What is the intent – will this act be perceived as taking or giving undue advantage?
  - ii. How would it look if these details were on the front page of a major newspaper or social media?
- d. Whenever faced with a doubt on the ABAC Policy, or if any act perceived to be a breach of the ABAC Policy, consult Ethics Counsellor or Compliance Officer.

### III. POLICY STATEMENT

- a. Our Company is firmly committed to maintaining the highest standard of business conduct across the globe in all its business dealings and relationships wherever it operates. We do not tolerate bribery or corruption in any form.
- b. Our company is committed to implementing and enforcing adequate procedures to prevent, deter, detect, and counter bribery and corruption in any form.
- c. As a part of this commitment, offering, promising to offer, or accepting bribes, directly or indirectly, and being involved in corruption is prohibited. This commitment shall reflect in every aspect of our business. This includes prohibiting improper payments, gifts, promises or inducements of any kind that are intended or perceived to obtain undue favours for the conduct of our business, to or from any person, including private or public officials, customers and suppliers, charitable or political donations and sponsorship deals.
- d. Our company is committed to maintaining detailed and accurate books of account of all transactions, which will aid in detection of bribery or corruption.
- e. Any violation of this ABAC Policy will be regarded as a serious matter and shall result in disciplinary action. In addition, most countries' legislations impose a strict liability and, in some cases, even criminal liability on Tata International Personnel and directors, that fail to prevent bribery within their business.
- f. This ABAC Policy constitutes a minimum standard that must be complied with in all countries of Company's business and operations. These minimum standards are applicable to the company even when this policy is stricter than the anti-bribery and anti-corruption laws that are applicable in any country - including both applicable local laws and laws with extra-territorial application. However, when the applicable anti-bribery and anti-corruption laws are stricter than this policy, such laws must be complied with.
- g. The guidelines in this ABAC Policy should be read in conjunction with:
  - i. Tata Code of Conduct;
  - ii. The Whistle-blower Policy;
  - iii. Gifts and Hospitality Policy,
  - iv. Any guidance published pursuant to this policy;
  - v. Any other relevant policies as may be implemented from time to time.

### IV. DEFINITIONS

- a. ***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.

b. **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. It is usually designed to obtain financial benefits or other personal gain. For example, bribes offered or promised in the form of money, a privilege, an object of value, an advantage to exert improper influence on decisions of an individual in his official capacity.

c. **Gift, Hospitality and Entertainment**  
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 and stones, jewellery, 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.

Hospitality generally includes refreshments, meals, travel and accommodation. Entertainment generally includes vacation, trips, use of recreational facilities, ticket or pass for plays/concerts/sports events. Hospitality and entertainment may also qualify as a gift, unless they fall within reasonable bounds of value and occurrence.

d. **Public Official / Foreign Public Official**  
A "Public Official" would include the following and any other person who is considered as public official according to applicable laws and regulations.

- i. any person holding a legislative, executive or administrative office of the government, or acting in the official capacity for or on behalf of a legislative, executive, or administrative office of the government, whether appointed or elected, whether permanent or temporary, whether paid or unpaid;
- ii. 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;
- iii. 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;
- iv. 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;
- v. 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
- vi. Any elected or appointed officers or employees of public international or multilateral organizations, such as the United Nations.

A "**Foreign Public Official**" broadly includes the "Public Officials" mentioned above who are not under the domestic jurisdiction (country of operation of the company). The definition of "**Foreign Public Official**" is subject to the definition prevalent in local regulation applicable.

e. **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.

- f. **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.
- g. **Relevant Regulations**  
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, including India (Prevention of Corruption (Amendment) Act 2018), the United Kingdom (UK Bribery Act, 2010), the United States of America (Foreign Corrupt Practices Act, 1977). Different statutes adopt different yardsticks to determine whether a particular act or omission is an offence thereunder. Questions regarding local and country-specific anti-bribery and anti-corruption laws could be addressed to Compliance Officer or Legal Department or Ethics Department. The list and key aspects of “Relevant Regulations” are provided in Annexure A.

## V. GENERAL PRINCIPLES

Bribery and corruption can take many forms and its risks may vary due to various factors therefore, a risk-based approach shall be taken to build required safeguards.

- a. A risk assessment shall be conducted to identify risk profile of the company related to bribery and corruption. This shall include review of external factors (like industry, geographic footprint, regulatory landscape, etc.) and internal factors (like policies, procedures, training program, analysis of data etc).
- b. Based on the risk profile identified necessary steps for its mitigation shall be taken. The risk assessment process shall be done once every three years or earlier in case of a major change in factors impacting the risk e.g. nature of business, new regulation, etc.

The key areas exposed to risk of bribery and corruption, often includes:

- a. **Gifts, Entertainment and Hospitality**
  - i. 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, Company’s Gifts & Hospitality Policy, and various advisories issued from time to time under the foregoing. Any doubts in this regard should be clarified with the Ethics Counsellor or the Compliance Officer.
  - ii. This Policy is applicable whether a Tata International Personnel 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).
  - iii. No Tata International Personnel 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.

- iv. Tata International Personnel 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.
- b. Facilitation Payments or Kickbacks**
- i. Any Facilitation Payments and kickbacks are corrupt payments, and any such payment during the course of Company's business is strictly forbidden.
- c. Interaction with Customers**
- i. Where a Tata International Personnel is responsible for relationships with customers, she/he may entertain customers for bona-fide purposes only in accordance with Company's Gifts & Hospitality Policy. Records of such entertainment should be maintained as per Gifts & Hospitality Policy.
  - ii. 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.
  - iii. Certain customers may insist on relevant clauses to be included in the contract or declaration be provided, with regard to compliance with anti-bribery and anti-corruption laws. Relevant guidance in this regard is provided in Annexure C.
- d. Use of Third Party Agents, Consultants and other Intermediaries**
- i. 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 third parties.
  - ii. All dealings with third parties shall be carried out with the highest standards of integrity and in compliance with all relevant laws and regulations. Tata International Personnel must follow our Company's processes and adhere to the system of internal controls. Third party selection should never be based on receipt of a gift, hospitality or payment.
  - iii. The following should be kept in mind prior to engaging a third party:
    - Appropriate due diligence is conducted and properly documented.
    - Appropriate anti-bribery and anti-corruption provisions in addition to TCOC and relevant policies are incorporated in the contracts, 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.
    - Formal commitment (in writing) is sought from the third party to ensure compliance to these standards (refer Annexure C for format of declaration);

- iv. Due diligence process shall be based on the risk to which the Company is exposed to, due to the contracting with the third party. For example, third parties interacting with government officials on behalf of the Company shall generally be classified as 'high risk' of bribery and corruption.
- For high risk third parties, a detailed due diligence process shall be carried out on the promoters / key managerial personnel and the entity involved. This shall include searches in various compliance databases and media records, site visits, market research, analysis of financials, etc. And the due diligence process shall be followed at the time of on-boarding as well as at periodic intervals (at least once two years) or at the time of renewal of contracts / purchase orders.
  - The due diligence process for low risk vendors could be limited to searches in various compliance databases, media records, etc. And the due diligence process shall be carried out at least once in three years or at the time of renewal of contracts / purchase orders.

*(Each company may decide on the frequency of due diligence exercise, depending on bribery and corruption risk assessment carried out by them)*

**e. Government Interaction**

- i. 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. Tata International Personnel should always be truthful, accurate, co-operative and courteous while representing our Company before any government, government officials and government agencies.

**f. Political, Community or Charitable Contributions and Sponsorships**

- i. 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.
- ii. Any financial contributions considered by our Board of Directors in order to strengthen democratic system 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.



- iii. Tata International Personnel 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.
  - iv. 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. 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. 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.
  - v. Before making such a contribution, the Tata International Personnel should ensure that:
    - Such charitable contributions are not dependent on, nor made to win, a business deal.
    - 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.
    - Contributions should be given to entities where the end use of the contribution is known and/or controlled.
    - Contributions should only be made to charitable organisations which are registered under the laws of the country.
    - As far as possible, background checks on the charitable organisations should be carried out in all cases especially 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.
    - Only such charitable contributions shall be made that are legal and ethical under local laws and practices.
  - vi. 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.
- g. Mergers and Acquisitions, Joint Ventures, Partnerships**
- i. Our Company will undertake appropriate and reasonable due diligence regarding compliance with anti-bribery and anti-corruption procedures, and on the reputation and integrity of any business in which it makes investments.
  - ii. Our Company, when it is acquiring a potential target or entering into a joint venture or partnership or similar business arrangement, will extend the Tata Code of Conduct and relevant policies to such business units, train employees of such business units, re-evaluate third parties under company standards and where appropriate, conduct audits on such business units.
- h. Books, Records, and Internal Control Requirements**

- i. 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 Tata International Personnel has a responsibility to be accurate, complete and honest in what he/she reports and records 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, contracts, etc.
- ii. 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.
- iii. Our records management and retention policies ensure that we maintain the records required to meet legal, tax and regulatory requirements and securely dispose of records that are no longer needed or are beyond the statutory retention period.

## **VI. RESPONSIBILITIES**

### **a. AUDIT COMMITTEE / BOARD OF DIRECTORS**

- i. The Audit Committee/ Board of Directors of the Company ("Board") shall have oversight of governance and compliance of ABAC Policy. Aggravated cases of breach of this ABAC Policy shall be escalated immediately to the Audit Committee or Board.
- ii. The Audit Committee will monitor the effectiveness and review the implementation of this ABAC Policy, considering its suitability, adequacy and effectiveness.

### **b. COMPLIANCE OFFICER**

- i. The Company shall, from time to time, designate an employee of adequate seniority, competence and independence as the Compliance Officer to ensure compliance with the provisions of this ABAC Policy and the same shall be notified to the Tata International Personnel.

*[Guidance: The Compliance Officer could be the Company Secretary or the General Counsel or any senior member of the Company's Ethics Committee.]*

- ii. All reports, complaints, doubts or concerns in relation to this ABAC Policy shall be raised by the Tata International Personnel to the Compliance Officer. Any query, concerns or complaint received by any Tata International Personnel including Company Ethics Counsellor regarding bribery or corruption issue should be reported to the Compliance Officer.
- iii. Every query or concern raised by any Tata International Personnel in relation to any suspected violation of this ABAC Policy shall be reviewed/investigated by the Compliance Officer. Any action required to be undertaken shall be taken by the Compliance Officer in accordance with this ABAC Policy.

**c. TATA INTERNATIONAL PERSONNEL**

- i. Tata International Personnel have a special responsibility to comply with this Policy and ensure that our Company's procedures and measures to combat ABAC risks and threats are upheld and strengthened.
- ii. Tata International Personnel familiarise themselves with ABAC policy and other policies, procedures and controls like Gifts and Hospitality through participation in trainings made available or guidelines issues by the Company from time to time.
- iii. Tata International Personnel are required to ensure that all expense claims relating to hospitality, gifts or charitable donations or payment to third parties are submitted in accordance with applicable policies and specifically record the reason for the expenditure.
- iv. Tata International Personnel who are in managerial positions shall ensure that their teams are familiar with ABAC Policy and other related policies. They shall guide and ensure that, the guidelines in this policy are adhered by their team and the third parties working with them.
- v. It will be duty of the Tata International Personnel to report non-compliance or any Red Flag indicators (Refer Annexure B) noted so that necessary action can be taken by the Company to mitigate the risks and other consequences.
- vi. Tata International Personnel shall provide full cooperation for any enquiry or investigation conducted by the company for potential violation of the ABAC policy.

**VII. COMMUNICATION AND TRAINING**

- a. Regular trainings and awareness sessions shall be made available in relation to our ABAC Policy, obligations of Tata International Personnel, company procedures and measures. The details of our Company's whistleblowing procedures will be disseminated throughout our Company on a regular basis.
- b. 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. Tata International Personnel
- c. 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.

**VIII. WHEN COMPELLED FOR BRIBE OR FACILITATION PAYMENT**

- a. While the Company remains committed to its policy of prohibiting any bribe or facilitation payment, it recognises that there may be the certain exceptional circumstances in which Tata International Personnel's or third party's health and safety is compromised due to demand of bribe or facilitation payment by individual with authority. For example, the exceptional circumstance could be demand of facilitation payment by health official for urgent medical evacuation of an injured Tata

International Personnel.

- b. For such exceptional circumstances, Tata International Personnel must inform either their Reporting Manager or Ethics Counsellor or Compliance Officer before conceding to the demand of bribe or facilitation payment. Any payment made under such exceptional circumstances must be reported formally to the Compliance Officer within 24 hours with complete details.
- c. The Legal Head shall report the matter to relevant law enforcement authority or regulatory body within a period of seven days from the date of such payment.

## IX. REPORTING OF CONCERNS AND INVESTIGATIONS

- a. Every Tata International Personnel 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 Compliance Officer at following email address : [krupa.joshi@tatainternational.com](mailto:krupa.joshi@tatainternational.com).
- b. Tata International Personnel may also raise concerns or queries to the Ethics Counsellor through 'Raising Concerns' mechanism under the TCOC or through the 'Whistleblower Policy'. Our Company's 'Whistleblower Policy' is available at <https://tatainternational.com/about-us/ethics/>.
- c. No personnel who in good faith, reports a violation of the ABAC Policy shall suffer harassment, retaliation or adverse employment consequences.
- d. For the reported concern(s) of potential or actual violation(s) of this ABAC policy, the Compliance Officer shall take appropriate steps such as:

### **Investigation:**

- i. Enquiry or fact finding or investigation of the reported concern for potential/actual violation of this ABAC Policy shall be conducted by or with oversight of the Compliance Officer. The objective of such an investigation would be to determine the facts.
- ii. All investigations shall follow principles of natural justice and shall ensure that the relevant Tata International Personnel are provided with an opportunity to make his/her case before the investigation team.
- iii. Experts with the right knowledge and skills may be appointed to investigate the reported concern.
- iv. The investigation process and the report should be kept confidential and shall be shared only with such persons who have a "need to know" under applicable law or Company Policies.

**Corrective Action:** If necessary, corrective actions shall be prescribed or suggested to appropriate managers, officers and employees for implementation.

**Disciplinary Action:** The Compliance Officer after considering inputs from relevant stakeholders have the discretion to recommend appropriate disciplinary action, including suspension and termination of service of such a defaulting Tata International Personnel. 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 Tata International Personnel shall cooperate with relevant authorities. Depending on the nature and scale of default by the defaulting Tata International Personnel, the Compliance Officer may also recommend to the Board to commence civil and/or criminal proceedings against such Tata International Personnel in order to enforce remedies available to our Company under applicable laws.

#### **X. PENALTIES**

- a. 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.
- b. Bribery is a criminal offense. The defaulting Tata International Personnel 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 Tata International Personnel as an individual and may include imprisonment, probation, and 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. There is no limit on the maximum fine payable.

#### **XI. AMENDMENT OF ABAC POLICY**

Our Company reserves the right to vary and/or amend the terms of this ABAC Policy from time to time.

## **ANNEXURE A - RELEVANT REGULATIONS**

The U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act (UKBA), the Prevention of Corruption Act, 1988 (PC Act) and many other Anti-Bribery and Corruption (ABAC) laws and regulations around the world make it clear that bribery and corruption is prohibited, illegal. Violation of these regulations lead to fines, penalties, reputational damage, and in some cases criminal liability. The key provisions of these regulations have been summarised below. For more information on these regulations and prevalent regulation in the geography of operations, it is advisable to refer relevant government websites or seek guidance from legal experts.

### **I. Foreign Corrupt Practices Act (FCPA)**

The FCPA was enacted in the United States in 1977 and contains anti-bribery and accounting provisions. The anti-bribery provisions prohibit U.S. persons and businesses (domestic concerns), U.S. and foreign public companies listed on stock exchanges in the United States or that are required to file periodic reports with the Securities and Exchange Commission (issuers), and certain foreign persons and businesses acting while in the territory of the United States (territorial jurisdiction) from making corrupt payments to foreign officials to obtain or retain business.

The accounting provisions require issuers to make and keep accurate books and records and to devise and maintain an adequate system of internal accounting controls. The accounting provisions also prohibit individuals and businesses from knowingly falsifying books and records or knowingly circumventing or failing to implement a system of internal controls. The Department of Justice (DOJ) and the Securities and Exchange Commission (SEC) are FCPA enforcement authorities. The FCPA provides for different criminal and civil penalties for companies and individuals in case of violations.

General principles of corporate liability apply to the FCPA. Thus, a company is liable when its directors, officers, employees, or agents, acting within the scope of their employment, commit FCPA violations intended, at least in part, to benefit the company. Similarly, just as with any other statute, DOJ and SEC look to principles of parent-subsidary and successor liability in evaluating corporate liability. Although the FCPA's accounting provisions are directed at "issuers," an issuer's books and records include those of its consolidated subsidiaries and affiliates. An issuer's responsibility thus extends to ensuring that subsidiaries or affiliates under its control, including foreign subsidiaries and joint ventures, comply with the accounting provisions.

### **II. U.K. Bribery Act (UKBA)**

The Bribery Act 2010 of United Kingdom (UK) came into force on 1 July 2011. The Act contains two general offences covering the offering, promising or giving of a bribe (active bribery) and the requesting, agreeing to receive or accepting of a bribe (passive bribery). It also sets out two further offences which specifically address commercial bribery. Section 6 of the Act creates an offence relating to bribery of a foreign public official in order to obtain or retain business or an advantage in the conduct of business, and section 7 creates a new form of corporate liability for failing to prevent bribery on behalf of a commercial organisation.

Section 12 of the Act provides that the courts will have jurisdiction over the offences committed in the UK, but they will also have jurisdiction over offences committed outside the UK where the person committing them has a close connection with the UK by virtue of being a British national or ordinarily resident in the UK, a body incorporated in the UK or a Scottish

partnership. A commercial organisation found guilty of an offence may be levied fine. An individual found guilty of an offence may face imprisonment of up to 10 years or a fine, or both.

### III. Prevention of Corruption Act, 1988 (PC Act), India

The Prevention of Corruption Act, 1988 (PC Act) was enacted to prevent corruption in Government departments and to prosecute and punish public servants involved in corrupt practices. An amendment was enacted (Amendment Act) and brought into force on 26 July 2018.

The Amendment Act provides that any public servant who accepts or attempts to accept from any person, any 'undue advantage', either for himself or for any other person, with the intent to perform or cause performance of public duty improperly or dishonestly or to forbear or cause forbearance to perform such duty, shall be punishable with imprisonment for a minimum term of 3 (three) years and maximum of 7 (seven) years and shall also be liable to fine. The Amendment Act has defined 'undue advantage' to mean any gratification other than legal remuneration that a public servant is permitted to receive.

In the Amendment Act, giving an undue advantage by a person to a public servant is considered an offence punishable with imprisonment upto 7 (seven) years or fine, or both. However, if a person is forced / coerced to give an undue advantage but reports the same to the concerned authority within 7 (seven) days of doing so, he shall not be liable for the same.

The Amendment Act has defined '**commercial organisation**' to mean not just a company or partnership incorporated in India and carrying on business in India or outside India, but also a body or partnership incorporated or formed outside India but carrying on business in India. The Amendment Act have specific provision for offences committed by commercial organisations and persons associated with it. It provides that if a commercial organisation commits any of the offences listed out in the PC Act then every director, manager, secretary or other officer with whose 'consent or connivance' the offence was committed, to be made liable under the PCA .

**ANNEXURE B - RED FLAG INDICATORS**

While an exhaustive list cannot be provided, set out below are indicative questionable transactions or situations that Tata International Personnel should be careful about – which, when appearing together or individually, should raise a 'red flag' to the Reporting Manager or the Compliance Officer:

- 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 third party who refuses to accept an ABAC or anti money laundering clause in the proposed contract.
- vi) Based on pre-acquisition 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 third-party resist or fails to provide details of parentage or has undisclosed principals, associates or subcontractors with whom it splits fees.
- ix) A third-party counterparty refuses access to its books and records where requested under the proposed contract.
- x) A public official suggests, requests, urges, insists, or demands that a particular third party, company, or individual be selected or engaged, particularly if the official has discretionary authority over the business at issue.
- xi) The third party insists on dealing with government officials without the participation of the company.
- xii) The fee, commission, or volume discount provided to the third party is unusually high compared to the market rate.
- xiii) Third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with government officials.



**ANNEXURE C - DRAFT DECELERATION FOR THIRD PARTIES**

(Including Consultants/Agents/Business Partners/Vendors)

1. I / We hereby recognize that as a matter of corporate policy, TATA / Group companies expressly prohibit financial or other advantages directly or indirectly including payment of bribes or any facilitation money or grease payments in connection with its business operations by any intermediary including consultant / agent / business partner / vendor or contractor or sub-contractor, engaged to provide goods and / or services to TATA / Group companies and / or its clients.
2. I / We hereby confirm that I / we shall abide by the provisions of the Tata Code of Conduct and the provisions of all applicable domestic and international laws including but not limited to anti-bribery and anti-corruption laws such as FCPA, UK Anti-Bribery Act and Prevention of Corruption (Amendment) Act 2018 (PCAA), and appropriate standards and principles and have valid authorizations, licenses and permits to carry out such business. I / We hereby represent and warrant to TATA / Group companies that I / we have in place adequate policies, systems, controls and procedures designed to comply with all applicable domestic and international laws especially related to Anti-bribery law, all applicable domestic and international laws and generally accepted standards of business ethics and conduct.
3. I / We will comply with all applicable laws and regulations that prohibit money laundering, support and financing of terrorism and that require the reporting of cash and suspicious transactions. I / We will only conduct business with customers involved in legitimate business activities, with funds derived from legitimate sources.
4. I / We shall not, directly or indirectly, make, offer or promise to make or authorize provision of financial or other advantages including any funds, services, gifts or entertainment, directly or indirectly to any person holding position or otherwise, to or in favour of any third party, employees of TATA / Group companies, customers or any government official or agency, in connection with the performance of this agreement/ work order / contract or in connection with any other business transactions involving TATA / Group companies and / or its clients.
5. I / We will avoid any contracts that might lead to, or suggest, a conflict of interest between personal activities and the business. I / We will neither give nor accept hospitality or gifts that might appear to incur an obligation.
6. I / We will follow the relevant International Trade Control (ITC) regulations of all countries in which I / we operate as they relate to importing and exporting goods, technology, software, services and financial transactions.
7. I / We understand the Prevention of Corruption Act 1988 (PCA), Prevention of Corruption (Amendment) Act 2018 (PCAA), US Foreign Corrupt Practices Act, 1977 (FCPA), UK Bribery Act and similar anti-bribery laws including, without limitation, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the United Nations Convention Against Corruption (wherever applicable) and TATA / Group companies prohibition of facilitating payments and hereby agree not to engage in any activity which could lead to accusations of breach of PCA, PCAA, FCPA, UK Bribery Act or similar anti-bribery laws including the OECD Convention (wherever applicable) and TATA/ Group companies prohibition of facilitating payments.
8. I / We shall not take any action which places, or is likely to place TATA/ Group companies in violation of laws or which could be detrimental to reputation and / or the business interests of TATA / Group companies. I / We shall not either directly or indirectly take any action, make any offers or representations, enter into any Agreements (oral or written) with any third party on behalf of TATA / Group companies without prior written approval from TATA / Group companies.

9. I / We hereby agree that in the eventuality of me / us appointing a sub-contractor (with written approval of TATA), the sub-contractor shall also comply with this Tata Code of Conduct.
10. I / We hereby agree to indemnify TATA/ Group companies with regard to any government or third party investigations related to or arising out of my / our alleged violation of this Code, the PCA, PCAA, FCPA or similar anti-bribery laws including, without limitation, the OECD Convention.
11. I / We hereby agree to promptly report any violations of the Code to TATA/ Group companies and further agree that TATA/ Group companies has / have a right to terminate the Agreement / Work Order / Contract and recover any amounts thereto paid to me / us under the same. I / We hereby agree that I / we shall procure that my / our employees and officers shall promptly give all assistance, information and explanations to TATA / Group companies and its group companies or its employees and its professional advisors as they may reasonably request in this regard.
12. I / We hereby agree that I / we shall not buy, sell or otherwise deal in TATA group securities if I / we have inside information. I / We hereby agree that I / we shall not pass inside information to third parties as it is not only a breach of confidentiality but also an offence.

#### **UNDERTAKING**

I / We hereby confirm that I have read and understood the Tata Code of Conduct for Intermediaries including consultants / agents / business partners / vendors and undertake to comply with same and all the applicable laws / statutes / directives or regulations and shall promptly notify you of any actual or suspected breach and provide all required information in this regard. Upon the occurrence of an actual or suspected breach, we shall promptly take all remedial actions as suggested by you and in the event of any failure to take such remedial measures by us, this agreement/ work order / contract or any other business transactions shall be automatically terminated with immediate effect without damages or other sanction.

Name of Company :  
 Name of the Authorised Signatory :  
 Designation of the Authorised Signatory :  
 Date :  
 Signature & Seal :

*Companies are required to review the template and make required changes as per their business context)*

**ANNEXURE D - DRAFT DECLARATION BY EMPLOYEE**

I, the undersigned do hereby certify that,

- I have read and understood the Anti-bribery and Anti-corruption policy of the Company.
- I also affirm to comply with the requirements of this policy, during my employment with the Company.
- I have not engaged or aware of any acts of bribery or corruption while discharging my duties for the Company.
- In case I come across any instances of non-compliance with the policy, I shall highlight the same to the relevant authorities in the Company.

Employee Name \_\_\_\_\_

Employee code \_\_\_\_\_

Designation \_\_\_\_\_

Department \_\_\_\_\_

Date \_\_\_\_\_

Signature \_\_\_\_\_