

# ANTI-BRIBERY POLICY



## **POLICY SUMMARY**

The ELGi brand is recognizable in the industrial segment globally, and our continued success depends in large part upon the trust and confidence of hundreds of consumers across the globe. The Company is therefore committed to conducting business in accordance with the highest ethical standards and prohibits all forms of bribery and corruption. This Anti-Bribery Policy (Global) ("Policy") prohibits bribery of government officials (India, U.K. U.S. and non-U.S.) as well as private sector (commercial) bribery, including the offering, promising, authorizing or providing anything of value to any customer, business partner, vendor or other third party in order to induce or reward the improper performance of an activity connected with our business. Violation of this Policy could result in disciplinary actions including, but not limited to, termination of employment. It is therefore vital that you not only understand and appreciate the importance of this Policy, but also comply with it in your daily work.

## **APPLICABILITY**

Elgi Equipments Limited and all its subsidiaries and affiliates, including joint ventures ("the Company").

## **PURPOSE**

This policy emphasizes Company's zero tolerance approach to bribery and corruption. It establishes the principles with respect to applicable Anti-Bribery and Anti-Corruption laws. The policy provides information and guidance on how to recognise and deal with bribery and corruption issues. It guides us to act professionally, fairly and with utmost integrity in all our business dealings and relationships, wherever we operate.

## **RISKS AND/OR CONSEQUENCES OF NON-COMPLIANCE**

A violation of relevant anti-corruption laws can lead to severe civil and criminal penalties and reputational harm to our Company. Company employees that violate these laws can also face severe civil and criminal penalties.

## **SCOPE AND RANGE OF APPLICATION**

The Company expects all its employees, officers, directors, refrain from engaging in any form of bribery or corruption, irrespective of citizenship, domicile, or location.

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## POLICY DETAILS

Applicable Laws - Employees of the Company must abide by all applicable Anti-Bribery laws, including the Indian Prevention of Corruption Act, 1988, the US Foreign Corrupt Practices Act, 1977 (FCPA), The U.K. Bribery Act, 2010, "Convention on Combating Bribery of Foreign Public Officials in International Business Transactions" (the "OECD Convention") and the local laws in every country in which we do business (for example, federal, regional, provincial, and state laws), collectively the Anti-Bribery and Anti-Corruption Laws. Virtually every country in which we operate prohibits bribery. These laws generally prohibit both bribery of government officials and private sector (commercial) bribery. In addition to the prohibition of bribery, the FCPA mandates that companies establish and maintain accurate books and records and adequate internal controls.

## PROHIBITION OF BRIBERY

### GOVERNMENT BRIBERY

The Company and its employees are prohibited from giving, promising, offering, or authorizing payment of anything of value to any government official to obtain or retain business, to secure some other improper advantage, or to improperly influence a government official's actions.

### COMMERCIAL BRIBERY

In addition to the prohibitions of bribing government officials discussed above, the Company prohibits employees from offering or providing corrupt payments and other advantages to or accepting the same from private (non-government) persons and entities. Such payments constitute commercial bribery and are often called "kickbacks."

### FACILITATION PAYMENTS

The Company's prohibition on bribery applies to all improper payments regardless of size or purpose, including "facilitating" (or expediting) payments. Facilitating payments refer to small payments to government officials to expedite or facilitate non-discretionary actions or services, such as obtaining an ordinary license or business permit, processing government papers such as visas, customs clearance, providing telephone, power or water service, or loading or unloading of cargo. Generally, facilitation payments are prohibited by this Policy, except for a very limited set of circumstances for which prior written approval must be obtained from Company Legal Counsel.

## PROVIDING ITEMS OF VALUE TO GOVERNMENT OFFICIALS

- ⦿ Before providing an item of value to any government official or entity, employees must first obtain prior written approval from Company Legal Counsel. Items of value provided to government officials must also be accounted for in accordance with standard practice and procedure.
- ⦿ Gifts, Meals, Travel and Entertainment ("GME") - It is never permissible to provide gifts, meals, travel, or entertainment to anyone (government officials or commercial partners) in exchange for any improper favour or benefit. In addition, gifts of cash or cash equivalents, such as gift cards, are never permissible. However at times, it may be considered appropriate to present a modest gift to our customers or customer's employees. We shall ensure that any such gift offered must be legal, of limited value, and not embarrassing to ELGI or its recipient if publicly disclosed as elucidated in the Company's Gift Policy. Please refer to the Company's Gift Policy which is available in the intranet for more details.
- ⦿ Donations - It is never permissible to provide a donation to improperly influence a government official, or in exchange for any improper favour or benefit. It may, however, be permissible to make donations directly to a government agency (rather than to an individual government official) as part of a charitable effort.
- ⦿ Promoting, Demonstrating, or Explaining Products - It is never permissible to direct promotional expenses or activities to a government official to improperly influence him or her, or in exchange for any improper favour or benefit. In some cases, however, it may be appropriate to direct such expenses to a government official or entity in order to promote, demonstrate, or explain the Company's products and services.
- ⦿ Hiring or Engaging Government Officials - It is never permissible to hire or engage a government official, or his or her immediate family members, to improperly influence the official, or in exchange for any improper favour or benefit.
- ⦿ Political Contributions - It is never permissible to provide a political contribution to improperly influence a government official, or in exchange for any improper favour or benefit.
- ⦿ Limited Exceptions - These exceptions include when a blanket approval is in place (blanket approvals must be renewed on a yearly basis from the Managing Director, Elgi Equipments Limited, India), when an employee's personal safety is at issue, and the rare instance when the Managing Director (of Elgi Equipments Limited, India) approval cannot be obtained.

## LEGAL PAYMENTS TO THIRD PARTIES

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Any and all payments made to third parties, including commissions, compensation, reimbursements, must be customary and reasonable in relation to the services provided and accurately documented in the Company's books and records. These payments must not be made without prior written approval from the departments or function heads in M5 cadre or geography heads or the Managing Director of Elgi Equipments Limited.

### TRAINING

The Company requires that the following employees complete Anti-Bribery training every other year:

- ⦿ All managers and all other employees job grade level M- 3 and above in India (or the equivalent thereof in other geographies);

The required Anti-Bribery training may include in-person or online training, a web-based Anti-Bribery training course, or instructor-led training programs. If a Company employee is assigned an online training course, he or she must complete that online course regardless of whether they have also received in-person training.

Human Resources Dept is responsible for designing training and monitoring compliance with the Company's online training requirements.

### AUDITING

Company employees will conduct periodic internal audits of relevant Company operations to help ensure the Company's continued compliance with applicable Anti-Bribery laws and this Policy. It is the duty of all employees to cooperate with—and never interfere with or obstruct—such audit activities or Company investigations. Company auditors are expected to act independently, and to liaise with Company Legal Counsel to clarify any questions related to application of this Policy.

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## REPORTING VIOLATIONS

If you observe conduct that may violate this Policy, raise a whistle blower complaint through the whistle blower policy found on the Company's website. Suspected violations will be reviewed and investigated as appropriate and may lead to disciplinary action. Any such reporting will be treated as confidential to the extent permitted by law. The Company strictly prohibits retaliation for good faith reports of suspected misconduct. Failure to report a violation of this Policy constitutes an independent violation of this Policy that is subject to discipline, up to and including termination of employment. The Company commits to conducting a fair and proper enquiry and provide an opportunity to the whistle blower and the person complained against, to support their respective positions with full and verifiable facts before initiating any action.