

ANTI-CORRUPTION AND ANTI-BRIBERY POLICY



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ANTI-CORRUPTION AND ANTI- BRIBERY POLICY

The Anti-Corruption and Anti- Bribery Policy (**the ‘Policy’**) of VKA Polymers Pvt. Ltd. (**‘VKA’/ ‘Company’/ ‘Organisation’/ ‘Our’**) has been developed in accordance with Code of Conduct, Policies, Rules and Regulations adopted by VKA and in conformance with the legal and statutory framework of Anti-Corruption Legislation prevalent in India.

1 OBJECTIVE

VKA is committed to the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices

The Policy reflects the commitment of VKA and its management for high ethical standards of doing open and fair business for improving the corporate culture, following the best practices of corporate governance and supporting the business reputation at the relevant, applicable and appropriate level.

A. *The aims and objectives of the Policy are:*

- to initiate the steps to reduce the bribery and corruption risks to the business of the Company by setting out clear guidelines.
- to encourage employees and Directors to be vigilant and to act diligently in good faith.
- monitoring and investigating instances of alleged corruption.
- taking firm and vigorous action against any individual(s) involved in corruption.
- to minimize the risk of involvement of all employees and Directors in corruption related activities;
- to form a common understanding for all stakeholders that VKA prevents corruption in any form;
- to summarize and explain the key requirements of Indian anti-corruption regulations and
- to set responsibility for the employees of VKA to know and comply with the principles and requirements of the Policy, the key rules of the applicable anti-corruption laws, as well as adequate procedures to prevent corruption.

2 SCOPE AND APPLICABILITY

This Policy applies to all individuals worldwide working for all affiliates and subsidiaries of VKA at all levels and grades, including directors, senior executives, officers, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, casual workers, volunteers, interns, agents, or any

other person associated with VKA (collectively referred to as “You” or “you” in this Policy).

In this Policy, “Third Party(ies)” means any individual or organization, who / which come into contact with VKA or transact with VKA and also includes actual and potential clients, suppliers, business contacts, consultants, intermediaries, representatives, subcontractors, agents, advisers, joint ventures and government & public bodies (including their advisers, representatives and officials, politicians and political parties).

3 APPLICABLE ANTI-CORRUPTION LAWS AND KEY PROVISIONS

The applicable Anti-Corruption Laws under the Indian Statutory Framework are as follows:

- i. Indian Penal Code, 1860,
- ii. Prevention of Corruption Act, 1988,
- iii. Prevention of Money Laundering Act, 2002,
- iv. Right to Information Act, 2005,
- v. Central Vigilance Commission Act,
- vi. Lok Ayukta Acts of States, and
- vii. Any other Act/statutes as may be notified by the Government of India from time to time.

4 POLICY DETAILS AND RESTRICTED PRACTICES

(A) A bribe is an inducement, payment, reward or advantage offered, promised or provided to any person in order to gain any commercial, contractual, regulatory or personal advantage. It is illegal to directly or indirectly offer a bribe or receive a bribe. It is also a separate offence to bribe a government/ public official. “Government/ public official” includes officials, whether elected or appointed, who hold a legislative, administrative or judicial position of any kind in a country or territory.

A bribe may be anything of value and not just money - gifts, inside information, sexual or other favors, corporate hospitality or entertainment, offering employment to a relative, payment or reimbursement of travel expenses, charitable donation or social contribution, abuse of function -- and can pass directly or through a third party. Corruption includes wrongdoing on the part of an authority or those in power through means that are illegitimate, immoral or incompatible with ethical standards. Corruption often results from patronage and is associated with bribery.

(B) Illustrative List of acts /practices which are restricted / prohibited under the policy framework is given below:

- (a) Dishonest misappropriation of property/money.
- (b) Criminal breach of trust.
- (c) Cheating.
- (d) Receiving or giving bribe.



(e) Acceptance /giving of Gifts over and above the extent and the manner as allowed hereunder:-

(i) Gifts and representative expenses including the hospitality business expenses which the employee may provide on behalf of the Company to the individuals or organizations, or which the employees may receive in connection with their work in the Company from other persons organizations, must meet a set of five criteria mentioned below:

- to be directly related to the legitimate activity of the Company, for example, a presentation or completion of business project(s), or the successful execution of contracts, or either with common holidays such as the Christmas, Diwali, New Year, International Women’s Day, anniversaries, birthdays etc;
- to be reasonable, proportionate and not be a luxury;
- to be not a hidden fee for the service, act, omission, conniving, protection, provision of rights, making of certain decision on transaction, agreement, license, permit, etc. or attempt to influence the recipient to indulge in any illegal or unethical activity;
- not to create a reputational risk for the Company, employees, and other persons, in case of disclosure of information on gifts or representative expenses;
- not to be in conflict with the principles and requirements of the Policy, the Code of Ethics, other internal documents of the Company and the rules of applicable law.

(The points stated above are illustrative in nature and in no way intend to limit the applicability of this Policy.)

(ii) Gifts on behalf of the Company, its employees and representatives to third parties shall be subject to the Gift Policy of the Company.

- (f) Charity in order to obtain commercial advantages.
- (g) Participation/Contribution in/to Political Activities.
- (h) Payment of any costs for government officers and their relatives (or in their interests) in order to obtain commercial advantages, and
- (i) Any other unethical act or omission.
- (j) To use partners, agents, joint ventures, intermediaries, or other persons for any actions that are contrary to the principles and requirements of the Policy or the rules of the applicable anti-corruption laws.

5 FACILITATION PAYMENTS AND KICKBACKS

Neither an employee of VKA nor any person acting on behalf of VKA shall make and shall not accept facilitation payments or “kickbacks” of any kind. “Facilitation Payments” are typically small, unofficial payments (sometimes known as “grease payments”) made to secure or expedite a routine government action by a government official. “Kickbacks” are typically payments made to commercial organizations in return



for a business favor/ advantage, such as a payment made to secure the award of a contract. You must avoid any activity that might lead to or suggest that a Facilitation Payment or Kickback will be made or accepted by VKA.

Facilitation Payments are known to be prevalent in many countries and industry sectors. There may be concerns, that the inability to make such payments may cause difficulties in doing business in some jurisdictions and that this may result in loss of income or contract.

6 BLACKMAIL/ EXTORTIONS

We remain committed to our Policy of not making Facilitation Payments. The only limited exception to this is in circumstances where you or the Third Parties are left with no alternative but to make payments in order to protect against loss of life, limb or liberty. In such circumstances, you make the payment and it is your immediate responsibility to contact your Manager and the VKA Disciplinary Committee via dc@vkapolymers.com as soon as possible after the event, so that the incident can be properly recorded, reviewed and accounted for with the authorities.

7 CHARITABLE DONATIONS

As part of its corporate citizenship activities, VKA may support local charities or provide sponsorship, for example, to sporting or cultural events. We only make charitable donations that are legal and ethical under local laws and practices and also within the corporate governance framework of the organization.

8 POLITICAL ACTIVITIES

We are apolitical, advocate government policies on sustainability and do not contribute financial or in kind to political parties, politicians and related institutions in any of the countries. We do not make contributions to political parties, political party officials or Candidates for political office.

Payment or use of corporate assets of any type as payment, directly or indirectly to any person, business, political organization or public official for any unlawful or unauthorized purpose is prohibited. You should not make any political contribution on behalf of VKA, use any VKA resources to assist a candidate or elected official in any campaign or coerce or direct another employee to vote a certain way. You should never attempt to offer any incentives to public officials in the hopes of influencing the decision of that individual.

9 RECORD KEEPING

The Company will keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to, and receiving payments from other parties.

Employees must ensure all expenses claims relating to hospitality, gifts or expenses incurred to Third Parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts will be kept “off-book” to facilitate or conceal improper payments and the same is ensured through effective monitoring and auditing mechanisms in place.

Employees must follow all the procedures laid out in other policies (available in the respective intranet portal) which help in anti-bribery and corruption due diligence on suppliers, potential joint venture parties, clients and other Third Parties.

10 IMPLEMENTATION AND COMPLIANCE

The Policy would be implemented by order of the President/CEO of VKA. It is sole responsibility of the employees (including all persons/officials covered under the Policy) to abide by the Policy and to restrict their actions/conduct within the set framework of the Policy.

The compliance with the principles and requirements of the Policy by the employees would be taken into account during the course of their appraisal and sanction of promotions.

11 MANNER IN WHICH TO RAISE A CONCERN OR COMPLAINT

Every person, to whom this policy applies too, is encouraged to raise their concerns about any bribery issue or suspicion of malpractice 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 their respective Manager and/or the Disciplinary Committee via dc@vkapolymers.com.

12 PROCESS TO FOLLOW WHEN YOU ARE A VICTIM OF BRIBERY AND CORRUPTION?

- (i) It is his / her responsibility to inform / report it to their respective Managers and the Disciplinary Committee via dc@vkapolymers.com as soon as possible, if you are offered a bribe by a third party, you are asked to make one, suspect that this may happen in the future or believe that you are a victim of another form of corruption or other unlawful activity. You must refuse to accept or make the payment from or to a third party, explain our policy against accepting or making such payment and make it clear that the refusal is final and non-negotiable because of this Policy. If you encounter any difficulty making this refusal, you should seek assistance from your Manager.

(ii) Reporting against Employees /Officials/ Other Persons (including Partners / Representatives)

When any employee or other persons doubt the legality or ethics of their actions or the action, inaction, violation, deficiencies or proposals of other employees, contractors or other persons, who act on behalf of VKA, they may report it by the following mode(s):

(a) E-Mail: dc@vkapolymers.com

(b) Telephone: +91 978946 3969 / +91 948971 0694

(c) Direct Reporting: to Head of the Department of respective employee and/or to the respective Executive Level Disciplinary Committee. The Head of Department / Vigilance Department will communicate all violations to the respective Executive Level Disciplinary Committee with a copy to the Legal Department, which have been reported by the employees through Hotline.

(iii) Reporting against Board Member(s)

In case of alleged corruption in respect of Board member(s), the violation(s) would be reported to the President/CEO and/or Chairman of the Board and he/she shall take the appropriate action (s) as may be considered necessary. It is the duty of the Head of Department, Vigilance Department, members of Executive Level Disciplinary Committees and Board members to take all reasonable steps to protect the identity of the person(s), who has/have reported the violations. It is also their responsibility to take all reasonable steps to safeguard such information, which they come across during the reporting/investigation process, to use such information only for the reasons it was supplied and not to share it with third parties, unless in compliance with applicable laws and regulations.

13 WHO IS RESPONSIBLE FOR THE POLICY?

The Chief Executive Officer has overall responsibility for ensuring that this Policy complies with VKA's legal and ethical obligations and that all those under our control comply with it.

Managers at all levels are responsible for ensuring that those reporting to them are made aware of and understand this Policy, undertake training on how to implement and adhere to it and also monitor compliance of it.

The HR team is responsible for this Policy and for monitoring its use and effectiveness (and dealing with any queries on its interpretation). Management at all levels is responsible for ensuring that those reporting to them are made aware of and understand this Policy and attend regular training on how to implement and adhere to it.

Every person to whom this policy applies is responsible for the success of this Policy and should ensure that he / she should use it to disclose any suspected activity or wrongdoing.



14 TRAINING AND COMMUNICATION

All the employees shall receive regular, relevant training on how to implement and adhere to this Policy.

VKA's zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors, agents and business and other partners at the outset of our relationship with them and as appropriate thereafter.

15 AMENDMENTS AND WAIVER OF POLICY

In case of identification of ineffective provisions of the Policy or related business processes of VKA or in case of change of the requirements of applicable laws or in case of any other modification(s), which may be deemed necessary by the President/CEO, the Policy may be amended/ updated by issuing an order under the signature of the President/CEO.

Any amendment or waiver of any provision of this Policy must be approved in writing by the Company's Board of Directors. The Policy will be reviewed and audited from time to time which requires cooperation from all concerned.

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