



ANTI-BRIBERY & ANTI-CORRUPTION POLICY

1. INTRODUCTION

This Policy is called “GMM PFAUDLER LIMITED - ANTI-BRIBERY & ANTI-CORRUPTION POLICY” (hereinafter referred to as “Policy”). It sets out Company’s commitment to conduct all its business activities with honesty, integrity and with highest possible ethical standards. It emphasizes the Company’s zero tolerance approach to bribery and corruption.

2. OBJECTIVE

The purpose of this Policy is to outline guiding principles and adequate procedures to prevent any activity or conduct relating to bribery, facilitation payments or corruption. It requires all GMM Pfaudler’s Associates (defined below) to recognize questionable transactions, behaviour or conduct, and to take steps to comply, follow the procedure set in place to deal with such behaviour or conduct.

3. SCOPE AND APPLICABILITY

This Policy is applicable to:

- a) All Directors of the Company
- b) All employees of the Company, whether temporary or permanent
- c) All contractors, consultants, trainees, volunteers, service providers, seconded staff, casual workers and agency staff, agents, relatives of employees/directors or any other person associated with the Company, wherever they are located.

(hereinafter collectively termed as “Associates”)

It is the responsibility of all Associates to follow and adhere to all elements described in this Policy. In countries where there are more stringent applicable laws, regulations or industry codes, GMM Pfaudler requires compliance with the more restrictive requirement and the principles set out in this Policy shall stand superseded in those specific countries.

4. DEFINITIONS

- 4.1. **Anti-Bribery and Anti-Corruption Laws** shall mean and include all anti- corruption and anti-bribery laws to which the Company is subject, including but not limited to the Prevention of Corruption Act, 1988, Prevention of Money Laundering Act, 2002, Foreign Corrupt Practices Act, 1977, UK Bribery Act, 2010 and any other applicable laws, rules, regulations, amendments, or re-enactments thereof, as may be in force from time to time.
- 4.2. **Bribery** means the offering, promising, giving, receiving, soliciting or accepting of a financial or other advantage, or any other thing of value, with the intention of influencing or rewarding the behaviour of a person in a position of trust to perform a public, commercial or legal function in order to obtain or retain a commercial advantage.



Bribery includes not only direct payments, whether in cash or otherwise, but also authorizing or permitting an Associate, their family members or third-party partners to commit any of the acts or participate in such actions. Bribery also includes any attempt to do any of the foregoing.

- 4.3. **Company** or **GMM Pfaudler** means GMM Pfaudler Limited.
- 4.4. **Compliance Officer** means the Chief Financial Officer and the Company Secretary and /or any such other persons who are designated in writing by the Compliance Officers for every Company branch/office for implementing and monitoring compliance with the principles set forth in this Policy.
- 4.5. **Corruption** is a form of dishonest or unethical conduct by a person entrusted with a position of authority, often to acquire personal benefit. It includes many activities including giving or accepting Bribes. 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.
- 4.6. **Facilitation payments** are unofficial payments made to secure or expediate a routine government action by a government official. They are sometimes referred as 'speed money' or 'grease payments' or 'good-will money'.
- 4.7. **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, and 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.
- 4.8. **Government Official** is any official or employee of a government or public sector organization (including departments or agencies thereof), or a person acting in an official governmental capacity. It shall include officials whether elected or appointed, who hold a legislative, administrative or judicial position of any kind in a country.



- 4.9. **Gratification** is not restricted to pecuniary gratifications or to gratifications estimable in monetary terms and shall include any and all the rewards given voluntarily for some service or benefit rendered, even without being requested so to do, either expressly or by implication.
- 4.10. **Kickback** is any payment, credit or other service provided, directly or indirectly, by an employee or intermediary for the purpose of improperly obtaining or rewarding favorable treatment in connection with a business arrangement or contract.
- 4.11. **Standard Operating Procedure** or **SOP** is the Standard Operating Procedure for Receipt/Offer of Gifts & Hospitality under the Policy.

5. POLICY FRAMEWORK

5.1 Bribe, Facilitation Payments or Kickbacks

The Company prohibits from giving or offering and accepting or receiving Bribes, Kickbacks, facilitation or similar payment or consideration of any kind, to and from any person or entity (including but not limited to any customers or potential customers, Government Officials, political parties, candidate for political office or any intermediaries, such as agents, attorneys or consultants) in order to:

- Influence official acts or decisions of that person or entity.
- Obtain or retain business or business advantage for, or direct business to, the Company; and/or secure any improper advantage.
- Secure any improper advantage of the offer or of the bribe, for any entity that he/she represents.
- Intended as Gratification for decision or act in a way that benefits the person or entity giving the item of value.

Furthermore, unless it is provided or received in accordance with this Policy or any other prevailing policy/guidelines of GMM Pfaudler, receiving or providing gifts, meals, entertainment or anything of value to any person or entity in connection with the Company business, shall amount to Corrupt Behavior which is prohibited by the Company.

5.2 Dealing with Government Officials

Business interactions with government bodies are subject to stringent legal and regulatory requirements and are governed by higher standards than those applicable in the commercial marketplace. Accordingly, when dealing with Government Officials or government-owned or government-controlled entities, Associates are required to comply with all applicable laws and regulations, uphold the highest standards of integrity, and avoid any actual or perceived impropriety.



The Company may interact with government authorities, officials and agencies in various capacities, including but not limited to obtaining statutory or regulatory approvals, acting as a supplier or customer, or in the ordinary course of business. In all such interactions, Associates shall act in a truthful, accurate, cooperative and courteous manner while representing the Company.

The Company is committed to conducting its operations in compliance with applicable Anti-Bribery and Anti-Corruption Laws, which prohibits improper, unethical or unauthorized payments or benefits to Government Officials. Any payment or benefit conveyed to a Government Official must be fully transparent, properly documented, and accounted for.

5.3 Donations

GMM Pfaudler may make charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without seeking the prior opinion of the Compliance Officer. All such donations/charitable contributions shall be properly documented with receipt and recorded in Company books and records.

Associates may, in their personal capacity, make donations that are legal and ethical under local laws and practices.

5.4 Gifts, Hospitality and Entertainment

GMM Pfaudler acknowledges that exchange of nominal gifts and sharing of entertainment is customary in many parts of the world during national, cultural and religious occasions. However, offers or gifts or hospitality (including entertainment or travel) which are frequent or of substantial value may create the perception of, or an actual conflict of interest or is an “illicit payment”.

Giving or receiving of gifts or hospitality is not prohibited under this Policy if all the following requirements are met:

- No quid pro quo – There must always be a legitimate business purpose to support gifts related expenses. Customary gifts, meals, entertainment, travel or lodging may never be given or received in return for a favour/ favourable treatment or to refrain from doing something disadvantageous to the Company.
- It complies with all Anti-Bribery and Anti-Corruption Laws
- It does not include cash or cash equivalent (such as gift certificates or vouchers)
- It is of an appropriate type, value and given at appropriate time considering the reason for the gift or hospitality. For e.g. In India it is customary for small gifts to be given during Diwali and Christmas time.
- It is given or received openly, not illicitly and in a manner that avoids the appearance of impropriety.
- Every gift exchange shall be in strict compliance with the SOP.



The test to be applied is whether in all the circumstances the gifts, hospitality and entertainment is modest, desirable and reasonable and that requisite approvals of such authorities as specified in the SOP have been obtained.

In case the gifts received do not meet the above criteria, the Compliance Officer may decide on the further use of the gifts or the gifts may be distributed within the Company amongst the employees by means of a lottery.

5.5 Use of Third Party Agents, Consultants and other Intermediaries

The Company may be held liable for Bribery or Corruption committed by third parties acting on its behalf, even without authorization. Accordingly, third parties shall be selected and managed with due care.

All dealings with third parties shall be conducted with the highest standards of integrity and in compliance with applicable laws, internal controls, the Code of Conduct, and relevant policies. Selection of third parties shall never be influenced by gifts, hospitality, payments, or favours.

- i. The following should be kept in mind prior to engaging a third party:
 - Due diligence must be conducted and properly documented.
 - Contracts must include anti-bribery and anti-corruption clauses, audit rights, and termination rights in case of non-compliance.
- ii. Due diligence process shall be based on the level of risk which the Company is exposed to, due to contracting with the third party. For eg:
 - **High-risk third parties** (including those interacting with government officials) shall undergo enhanced due diligence including searches in various compliance databases, media records, analysis of financial records, market research etc. The due diligence process should be conducted before onboarding and periodically or at contract renewal.
 - **Low-risk third parties** shall undergo limited due diligence including searches in various compliance databases, media records, etc. during onboarding or at contract renewal.

5.6 Prevention of Money Laundering

GMM Pfaudler is committed to comply with all the applicable laws and regulations relating to money laundering along with the other Anti-Corruption Laws. All Associates are also expected to comply with the said laws and regulations, specifically:

- Make sure you complete all your “know your customer” requirements.
- Double-check the accuracy and reliability of the customer information data.
- Be alert and report any unusual or suspicious activity to the Compliance Officer or the concerned head of department.



5.7 Mergers, Acquisitions & Joint-ventures

The Company will undertake appropriate and reasonable due diligence regarding compliance with anti-bribery and anti-corruption procedures and integrity of any business in which it makes investment.

At the time of acquiring a potential target or entering into a joint venture or similar business arrangement, where appropriate will extend Company's Code of Conduct and relevant policies to such business units.

6. BOOKS, RECORDS AND INTERNAL CONTROLS

- 6.1 GMM Pfaudler is committed to keep accurate books and records and to maintain internal controls to prevent and detect potential violations of policies of the Company or of applicable laws. To support this commitment, the Company conducts regular reviews, audits, and internal investigations to monitor compliance and identify opportunities for improvement.
- 6.2 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.
- 6.3 No records shall ever be kept "off-book" to facilitate or conceal improper payments.
- 6.4 Adequate and complete information must be recorded for all transactions and expenses to ensure that the Company's books, records and accounts accurately and fairly reflect transactions in reasonable detail. Transparency and completeness in record-keeping support compliance with this Policy and applicable laws and regulations.
- 6.5 If an Associate discovers that incomplete information was provided for a transaction or expense, it must be reported to the supervisor immediately. Associates must not conceal errors or falsify records and should work transparently to ensure accurate correction in the Company's books and records.

7. HOW DO I KNOW IF SOMETHING IS A BRIBE?

In most circumstances, common sense will determine when a Bribe is being offered. However, here are some questions you should ask yourself if in doubt:

- Am I being asked to pay something or provide any other benefit over and above the cost of the services being performed, such as an excessive commission, a lavish gift, a kickback or contributing to a charity or political organization?
- Am I being asked to make a payment for services to someone other than the service provider?
- Are the hospitality or gifts I am giving or receiving reasonable and justified? Would I be embarrassed to disclose them?

- When a payment or other benefit is being offered or received, do I know or suspect it is to induce or reward favorable treatment, to undermine an impartial decision-making process or to persuade someone to do something that would not be in the proper performance of their job?

8. RAISING A CONCERN AND INVESTIGATIONS

- 8.1 All Associates are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest. If they are unsure whether a particular act constitutes Bribery or Corruption, or if they have any other queries including questions regarding this Policy, should be raised with their respective reporting manager or the Compliance Officer.
- 8.2 Associates may raise concerns on the avenues below:
 - Immediate reporting manager
 - Compliance Officer
 - Any other reporting channel as set out in the Company's Whistleblower Policy
- 8.3 No one will suffer any detrimental treatment as a result of refusing to take part in Bribery or Corruption, or because of reporting in good faith their suspicion that an actual or potential Bribery or other Corruption offence has taken place or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavorable treatment connected with raising a concern. If any Associate believes that he or she has suffered any such treatment, he or she should inform their head of department or Compliance Officer.
- 8.4 For the reported concern(s), the Compliance Officer shall conduct an enquiry or investigation in order to determine the facts. Such investigation process and report shall be kept confidential and be shared only on a need-to-know basis.

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

Disciplinary Action: The Compliance Officer can recommend appropriate disciplinary action, including but not limited to suspension and termination of service of such a defaulting employee. If the violation is potentially criminal in nature and should be notified to the relevant authorities under applicable law, the Compliance Officer shall also notify to the relevant authorities under applicable law.

Depending on the nature and scale of default the Compliance Officer may also recommend to the Board to commence civil and/or criminal proceedings against such employee in order to enforce remedies available to the Company under applicable laws.



9. RESPONSIBILITY AND MONITORING

Associates should familiarise themselves with this Policy and other policies, procedures and controls like Gifts and Hospitality through participation in training sessions made available or guidelines issued by the Company from time to time.

The Head of Departments of GMM Pfaudler are responsible for overseeing the compliance within their respective Departments with all provisions set forth in this Policy. However, none of these measures relieve GMM Pfaudler's employees from their duties stipulated in this Policy.

10. VIOLATION OF THE POLICY

Our Company maintains a zero-tolerance approach to Bribery, Corruption or engagement in any form of unethical activities. It is the duty of every employee to act with integrity and uphold our Company's core values. Our internal control systems are equipped with robust controls designed to detect violations of our policies and promptly flag any irregularities.

Any violation of this Policy will be treated with utmost seriousness and may result in disciplinary action, up to and including immediate termination of employment, as well as civil and/or criminal proceedings, where applicable.

Further, the Associates implicated in violation of the Policy or Corrupt Behavior may be subject to regulatory or law enforcement investigation, civil and/or criminal prosecution and administrative sanction, such as debarment from working in a defined industry, as well as financial penalties and as prescribed under the Anti-Bribery and Anti-Corruption Laws.

11. REVIEW AND AMENDMENT

This Policy may be amended by the Board from time to time to reflect changes in the applicable laws, as well as to address evolving business or regulatory requirements. Any updates to the Policy shall be made available on the Company's website.



Document Control

All changes to the process document can be made only by the Document Owner.

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