

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

### **1. INTRODUCTION**

- 1.1 This Anti-Bribery and Anti-Corruption Policy (the "Policy") applies to Hinduja Leyland Finance Limited (HLF) and supports the principles in relation to business ethics and anti-corruption.
- 1.2 HLF is committed to ensuring that no bribes, kick backs or similar gifts, payments or advantages are solicited from or given to any person, whether in the public or private sector, for any purpose. This Policy is intended for the following purposes:
- to assist employees to recognize circumstances which may give the appearance of corruption or unethical business conduct;
  - to avoid conduct which is clearly prohibited ; and
  - to encourage employees to promptly seek guidance whenever necessary..
- 1.3 Bribery normally involve spaying or offering money, or something else of value, to obtain or keep an improper advantage, or to induce or reward someone for acting improperly. Someone acts improperly if they act in a way they are not supposed to, for example an employee acting in breach of duties he owes to his employer or a public official acting for his own personal benefit rather than in the public interest. A gift or other advantage would also be improper if the recipient would not be allowed to accept it, whether as a matter of law or because of the rules of his / her employer's organisation. Bribes often involve payments (or promises of payments) but may also include providing lavish/inappropriate gifts and hospitality or other significant favours. Bribery includes advantages provided directly, as well as indirectly through an intermediary.
- 1.4 Questions in relation to this Policy should be directed to Chief Ethics Counsellor at Corporate Office.

### **2. SCOPE OF THE POLICY**

- 2.1 HLF requires all its employees to comply fully with all applicable laws and regulations in the territories where the Company conducts business, and to adhere to high standards of ethical conduct.
- 2.2 This Policy applies to HLF, all its subsidiaries and controlled affiliates, and all their directors, officers and employees (including temporary staff and consultants) and employees serving as directors (or equivalent) of non-controlled affiliates ("Employees").
- 2.3 HLF also expects all third parties representing the company, including consultants,

agents, sales representatives, distributors and independent contractors, to comply with the principles set out in this Policy. HLF may, in some cases, expressly require such third parties to comply with aspects of this Policy.

- 2.4 This Policy sets out minimum standards to help HLF and Employees prevent, detect and report public corruption and commercial bribery.
- 2.5 Breach of applicable anti-corruption laws may also result in criminal, civil and regulatory penalties for HLF and / or its Employees, including fines and imprisonment, and severe reputational damage for HLF. Compliance with the Policy is therefore of fundamental importance.

### **3. REGULATORY COMPLIANCE–UNDERSTANDING BRIBERY**

- 3.1 Employees and other representatives of HLF are strictly prohibited from:
  - 3.1.1 **offering, promising, giving or authorising**, directly or indirectly, any bribe or kick back to or for the benefit of any person (whether in the public or private sector) in order to obtain or keep any improper business or other advantage for HLF, for themselves, or for their family, friends, associates or acquaintances, or otherwise using improper means to influence the actions of others;
  - 3.1.2 **soliciting, accepting or receiving** (whether for HLF's benefit, their own benefit or that of their family, friends, associates or acquaintances) any bribe or kick back from any person (whether in the public or private sector); or
  - 3.1.3 **acting as an intermediary** for a third party in the solicitation, acceptance, payment or offer of a bribe or kick back.
- 3.2 In addition, HLF will not approve or be party to payments or gifts if a third party could reasonably *perceive* that they have been made to win or retain business improperly, or to improperly influence a business decision. If in doubt, the employees should consider whether they would be embarrassed if their colleagues or anyone outside HLF became aware of what they are proposing to do.
- 3.3 As well as complying with the specific prohibitions in this Policy, Employees are required to exercise commonsense and judgment in assessing whether any arrangement could be perceived to be corrupt or otherwise inappropriate. Any questions in relation to particular arrangements or payments should be directed to the Chief Ethics Counsellor through the Corporate Office.

### **4. GIFTS AND DONATIONS**

- 4.1 Giving or receiving gifts, payments or any other benefits can create a bribery problem if they influence, or appear to influence, the impartiality with which representatives of the company, customers, suppliers or other business contacts, government officials or regulators are expected to carry out their duties.

- 4.2 Improperly influencing people by providing them with inappropriate gifts or hospitality is likely to be illegal and may result in civil and criminal penalties.
- 4.3 For these reasons, a gift or hospitality may only be given or received if:
  - 4.3.1 It does not create an appearance of impropriety;
  - 4.3.2 It does not breach any laws or any rules of the recipient's organisation
  - 4.3.3 It imposes no sense of obligation on the receiver and results in no special or favoured treatment;
  - 4.3.4 It is not concealed in anyway; and
  - 4.3.5 It is modest (both when considered individually and in aggregate over a 12 month period), appropriate and consistent with reasonable business practice, and pre-approval has been sought from appropriate authority in the organization.
- 4.4 If in doubt when considering whether to offer or accept a gift, the employees should consider whether they would be embarrassed if their manager or colleagues or anyone outside HLF became aware of the entertainment or gift.

## **5. GOVERNMENT AGENCIES**

- 5.1 These requirements are an extension of the guidelines on gifts and donations set out in section 4 above.
- 5.2 HLF may have to interact with government agencies in a number of roles, including: as shareholders, as regulators, as customers, as suppliers or as policymakers. In most countries, giving gifts and donations to government functionaries and agencies is illegal, and attracts civil as well as criminal penalties. Therefore, additional precautions should be taken when dealing with government functionaries and agencies in any capacity.
- 5.3 In particular:
  - 5.3.1 Employees should always be truthful and accurate when dealing with government officials and agencies.
  - 5.3.2 Government officials or employees should not be engaged to perform legal, consulting or other services related to a matter within the scope of their official duties, or the duties and responsibilities of the agency by which the individual is employed.
- 5.4 When doing business with a government agency or with a representative of a

government agency, the company should always maintain detailed records of all transactions. The operating team should be fully aware of the laws relating to the provisions of hospitality, payments or gifts to government officials of the country in which they are operating.

### **Facilitation payments**

- 5.5 Facilitation payments are payments made with the purpose of expediting or facilitating the performance by a government official of a routine governmental action. Facilitation payments are typically demanded by low level and low income officials to obtain services which, under normal conditions, should be provided in any event. Facilitation payments are a form of bribery. HLF's policy is that such payments are prohibited.

### **High risk situations**

- 5.6 One should be particularly careful in the sorts of circumstances set out below that anyone who is representing HLF, does not act in breach of this policy by providing a benefit to a government official to obtain favourable treatment:
- 5.6.1 When HLF is not in compliance with rules and regulations, or deviates from contractual provisions – there is a risk that a government official may demand a bribe in order to 'fix' the problem or condone the deviations.
- 5.6.2 When there are intentional or unintentional misstatements in cost allocations, certifications and reports.
- 5.6.3 When an intermediary interfaces with the government on behalf of a HLF/ associate, –the company may be legally responsible for the acts of that intermediary.
- 5.6.4 When appointing contractors, suppliers and providers of goods and services on the recommendation of government officials or agencies –there may be a risk that this is a way for the government official to benefit, for example if she or he has an interest in the contractor.
- 5.6.5 In the appointment of former government functionaries as consultants.

## **6. POLITICAL NON-ALIGNMENT (AND CHARITABLE DONATIONS)**

### **Political donations**

- 6.1 HLF should not, without Board approval, make monetary payments or contributions in kind to political party members or candidates, even as a contribution towards charitable activities undertaken by them.

## **Charities and NGOs**

- 6.2 HLF's policy is that any charitable contributions made on behalf of the company must be authorized by the Board.
- 6.3 Any donation to a charity by the Company should not create even the appearance of an impropriety or violation of any applicable laws or regulations. The Board will ensure that donations are appropriately scrutinized by considering the background and reputation of the person or entity seeking the contribution, including whether it has any links to political parties or government officials, and considering the purpose of the donation.

## **7. THIRD PARTY REPRESENTATION**

- 7.1 Anti-corruption laws impose liability on companies which become involved in the direct *or indirect* payment of bribes. Thus, HLF may incur criminal and civil liability where third party service providers make unlawful payments in the course of their work on its behalf. This exposure can be criminal, civil and/or reputational, and may arise even where Employees did not themselves authorize any bribe.
- 7.2 It is therefore very important that Employees take steps to ensure that improper payments or advantages are not offered or made, or solicited or received, on their behalf by third party representatives. Examples of third party representatives might include: consultants, agents, sales representatives, distributors, contractors and suppliers, lawyers, tax advisers, introducers of business, other agents and service providers involved in sales and marketing, brokers, political lobbyists, and other professionals.
- 7.3 HLF is committed to promoting anti-corruption policies amongst any third party representatives it engages. Consequently, the prohibitions on bribery in this Policy apply to third parties engaged to represent HLF's interests.
- 7.4 Where third parties are retained by HLF,
  - 7.4.1 Employees should act independently and objectively when engaging third parties.
  - 7.4.2 Due diligence should be conducted on third parties in appropriate cases, including: considering their background and reputation, understanding and documenting the services they will be providing, and determining that they are being paid a reasonable and justifiable amount in light of those services. No third parties should be hired if their business conduct is inconsistent with this policy.
  - 7.4.3 Where relevant, HLF's expectations in relation to anti-corruption compliance should be communicated to the third party; this may involve agreeing contractual

prohibitions on the third party paying bribes.

- 7.4.4 There should be appropriate review and monitoring of the activities the third party is undertaking on HLF's behalf.

## **8. REPORTING CONCERNS**

- 8.1 Employees who have any concerns about ethics or potentially improper actions should report using the Whistle blower Policy. The Whistle blower Policy provides that:
  - 8.3.1 Disclosures should be made to the Chief Ethics Counsellor/Chairman of the Audit Committee and all disclosures will be appropriately investigated.
  - 8.3.2 No unfair treatment will be meted out to an Employee who raises concerns under the Whistle blower Policy. This means the Employee will be supported in providing evidence about his concerns and protected from threats or any abuse of power or other unfair treatment as a result of having raised a good faith concern.
  - 8.4 Any attorney, auditor or consultant working for the company may report evidence of a material violation of the law, breach of fiduciary duty or any similar violation by the company or any of its agents to the Chief Ethics Counsellor, Company Secretary or the Chief Executive Officer of the company (or a person acting in an equivalent capacity).
  - 8.5 HLF Whistle blower Policy provides further information on making protected disclosures about suspected misconduct.

## **9. MONITORING, REVIEW AND TRAINING**

- 9.1 The Board of Directors of HLF has overall responsibility and over sight for the implementation and monitoring of this Policy. The Chief Ethics Counsellor has responsibility for anti-corruption compliance within HLF.
- 9.2 The Board may direct the Chief Ethics Counsellor to take any such action as it thinks appropriate to review, auditor monitor compliance with this Policy. Additionally, the Chief Ethics Counsellor will report to the Board of Directors in relation to any modifications that should be made to this Policy to ensure compliance with applicable legislation.
- 9.3 The Internal Auditor should be made aware of any transactions which involve any "red flag", the provision of gifts and entertainment which require pre-clearance and any payments or gifts which may give rise to bribery concerns. Such transactions will thereby be monitored for corruption and related risks.
- 9.4 The Internal Audit team will be responsible for ensuring that the internal audit plan incorporates an audit of compliance with this Policy on a "sample" basis, focusing primarily on jurisdictions, businesses or activities with a high corruption risk, and

report to the Chief Ethics Counsellor in relation to the same.

- 9.5 HLF is committed to training its Employees in relation to anti-corruption issues and its procedures and controls. All Employees will be given access to this Policy. Wherever relevant, appropriate training will be provided to new and existing Employees.