

**ANTI BRIBERY and ANTI CORRUPTION POLICY**

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POLICY**

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## **ANTI BRIBERY and ANTI CORRUPTION POLICY**

### **Preface**

KEC International Limited's ("KEC") is committed to conducting its business ethically and in compliance with all applicable laws. KEC has a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships.

RPG Group's Code of Corporate Governance and Ethics ("**Code**") requires that all the activities and business conducted in the RPG Group companies should be free from the influence of corruption and bribery and business partners of RPG Companies are expected to be aware of and follow all anti-corruption and anti-bribery laws in all geographies the RPG Group companies operate. RPG Group adopts a zero-tolerance policy on any acts of or any perceived act of bribery and corruption.

The Anti-Bribery and Anti-Corruption Policy ("**Policy**") of KEC has been developed in alignment with the Code for ensuring compliance of laws relating to bribery and corruption in countries of operation of KEC. The Policy reflects the commitment of KEC and its management for maintaining highest ethical standards and the same must be strictly adhered to while dealing with third parties.

This Policy applies to KEC and its subsidiaries and shall be imbibed /adopted by its joint ventures globally.

Vimal Kejriwal  
CEO & Managing Director  
KEC International Limited

Date: 26 July 2022

## ANTI BRIBERY and ANTI CORRUPTION POLICY

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## ANTI BRIBERY and ANTI CORRUPTION POLICY

### 1. Definitions

Term / Expression	Explanation
Act	The Companies Act, 2013, along with amendments thereto
Applicable Anti-Bribery and Anti-Corruption laws and regulations	<p>It includes the following but not limited to:</p> <ul style="list-style-type: none"> <li>The Prevention of Corruption Act, 1988</li> <li>The Prevention of Money Laundering Act, 2002</li> <li>The Foreign Corrupt Practices Act 1977 of USA ("FCPA")</li> <li>UK Bribery Act, 2010 ("UKBA")</li> <li>Any other applicable national, regional, provincial, state, municipal or local ABAC laws</li> </ul>
Board	The board of directors of KEC International Limited (" <b>KEC</b> " or " <b>Company</b> ")
Bribery	Bribery includes the offering, promising, giving, accepting or soliciting something of value in exchange for an act which is dishonest, illegal, and improper or a breach of trust, designed to influence the recipient in the exercise of their duty and to incline them to act contrary to accepted standards of honesty and integrity, to avail improper business advantage. 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 Third Party.
Compliance Officer	An Employee appointed for overseeing KEC's compliance processes and for ensuring applicable laws and compliance policies are communicated to all Employees.
Corrupt Practice	Corruption or corrupt practices shall mean the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party
Director(s)	Directors appointed on the Board of the Company including executive, non-executive, independent and nominee directors.
Employee(s)	Every employee of the Company and its subsidiaries / affiliates / associates, including regular employees, contractual employees, and retainers.
Relative	<p>Relative of an Employee or Director shall include a relative or immediate relative as defined in the Companies Act 2013 or in the Listing Regulations and/or the Listing Agreement or in the SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereon.</p> <p>A relative of an Employee or Director may also include but not limited to husband, wife, child or brother, sister, parent, stepparent, stepchild, stepbrother, stepsister, father or mother-in-law, son or daughter-in-law, brother or sister-in law, grandparent or grandchild, and the husband or wife of a grandparent or grandchild depending on the context of a transaction or interaction on a per case basis.</p>

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Fraudulent Practice	Any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
Gift	<p>Any payment, gratuity, gratification, present or advantage (pecuniary or not), offered or received. In a business environment, “Gifts” cover items such as, but not limited to:</p> <ul style="list-style-type: none"> <li>• Presents, goods, equipment</li> <li>• Cash payments, or cash equivalents like gifts certificates, gift vouchers, shopping cards, etc.</li> <li>• Stocks, shares, equities</li> <li>• Free services, for instance insurance, tuition fees, repair or improvement works or any preferential treatment.</li> <li>• Honorarium</li> <li>• Transportation, promotional items or use of a giver’s time, materials, and facilities.</li> </ul>
Government Official(s)	<p>Any person or people employed part / full time by the government or regional sub-division of the government, states, provinces, city, district, town, villages or by independent government agencies, state owned business or public (government funded) institute. Officers and employees of government-owned companies, or companies substantially controlled by such governments, are also Government Officials. Examples of Government Officials include:</p> <ul style="list-style-type: none"> <li>• Any individual who holds a legislative, administrative or judicial position of any kind, whether appointed or elected, for the country or state;</li> <li>• Any officer, employee or agent of a public international organization such as the World Health Organization or the United Nations;</li> <li>• Any officer, employee or agent of a political party or any person acting in an official capacity on behalf of a political party;</li> <li>• Any individual acting on behalf of a government owned enterprise or enterprise performing governmental functions;</li> <li>• Any person defined as a government or public official under applicable local laws (including anti-bribery and corruption laws) and not already covered by any of the above;</li> </ul>
Hospitality	<p>Hospitality means any form of amenity, entertainment, travelling or accommodation offered or received. In a business environment, “Hospitality” covers items such as but not limited to:</p> <ul style="list-style-type: none"> <li>• Hotel accommodation,</li> <li>• Travel and trips by car, air train or boat,</li> </ul> <p><i>Note: The Company may conduct seminars / summits / events at various locations and may also sponsor / partner various events. In all such events, the amenities extended to the Third Parties should not considered as Hospitality for the purpose of this policy if it does not seem to be an inducement or attempt to influence them in an unfair manner.</i></p>
Legitimate Business Purpose	Any expense incurred which is in connection with the business concerned in the ordinary course of business (not in a course of quid pro quo relationship or giving an appearance of a quid pro quo relationship).

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RPG Group	RPG Group shall mean a conglomerate comprising of various companies who have been licensed or permitted to use the RPG logo whether as a copyright or a trademark in the course of its business.
Third Party(ies)	<p>Third party(ies) include:</p> <ul style="list-style-type: none"> <li>• Business partners, vendors, suppliers, contractors, sub-contractors, Joint Venture partners, Consortium partners, local representatives, agents, consultants, and intermediaries with whom KEC may enter into agreement(s) for purchasing/selling directly or indirectly materials and/or services or other operational activities.</li> <li>• Associates of the foregoing.</li> <li>• Government Official(s)</li> </ul>

### 2. Purpose and Objective

KEC International Limited (“**KEC**” or “**Company**”) has a zero-tolerance approach towards Bribery and corruption. The Anti-Bribery and Anti-Corruption Policy (“**ABAC Policy**” or “**Policy**”) is adopted by the Company to help its Employees and Directors comply with all the applicable laws, domestic and foreign, prohibiting giving and receiving Bribes, Gifts or inducements of any kind from any person, including officials in the private or public sector, and other Third Parties. Breach of applicable ABAC Laws (including the failure to prevent Bribery from occurring) result in reputational damage and severe penalties, including fines and imprisonment.

### 3. Applicability

This Policy applies to all Employees and Directors of the Company at all levels and grades wherever they are working. This Policy covers engagements with Third Parties or other representatives anywhere in the world in relation to any business transaction of the Company. In each of the jurisdictions in which the Company operates, whosoever is engaged should follow this Policy or applicable law, whichever is more stringent.

When the Company engages a Third Party, it shall be the duty of the functional team to apprise such Third Party of this Policy ensuring that such Third Party follows and abides by this Policy in letter and spirit.

### 4. Ethical conduct

All Employees and Directors should endeavour to deal honestly, ethically, and fairly with all Third Parties associated with the Company. All Employees and Directors are prohibited from taking unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair practice.

The Company prohibits anyone acting on its behalf or dealing with, including Directors, Employees, Third Parties, domestic and international subsidiaries / affiliates / associates, from making or promising or accepting or requesting Bribe.

In case any such demand for a Bribe is received, individual should:

- Refuse to make such payment and informing that the same is not permissible as per the Company’s policies.
- Report to the Compliance Officer regarding the demand for such payment.

Further, Employees and Directors shall communicate the Company’s approach toward ethical conduct to the Third Parties, who may be dealing with the Government Officials on behalf of the Company, to ensure that no such payment is offered or made by them to such officials.

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### **Facilitation or Expediting Payments**

The Company prohibits Facilitation Payments, or other benefits to, any Government Official or any other person made directly or indirectly to expedite routine government action. Facilitation Payments may include:

- Payments to Government Officials for expediting licenses, permits, approvals and inspections, both at the time of setting up of unit and/or periodic statutory renewals.
- Payment made to a custom official to ensure the speedy completion of customs clearance procedures.

### **Cash Transactions**

The most obvious form of corrupt payment or money laundering is usage of large amounts of cash. To help prevent and detect such transactions, Employees and Directors should be watchful for any suspicious payments, which may include cash or the equivalent; payments made from personal accounts instead of business accounts; and funds from financial institutions or Third Parties where there is no business connection.

## **5. Gift and Hospitality**

Exchange of customary Gifts is normal and is an accepted business practice throughout the world and can enhance business relationships when conducted appropriately. However, Gift and Hospitality can also create a perception of conflict of interest that can undermine the integrity of our business relationships and could be subject to potential abuse. Receiving or giving non-customary items or favours may compromise – or appear to compromise – the ability of an Employee and Directors to make objective, impartial and fair business decisions.

Offering or receiving Gifts, gratuity or entertainment that might be perceived to improperly influence a business decision must be avoided. Gifts in the form of cash or cash equivalents (such as gift cards or gold or silver coins) must never be offered or received. In addition, you must never solicit a Gift or entertainment. Business entertainment should be moderately scaled and intended only to facilitate legitimate business goals. Gifts and entertainment that are repetitive (no matter how small) may be perceived to be an attempt to create an obligation to the giver and are therefore inappropriate.

One needs to exercise professional judgment in identifying inappropriate, frequent, or material Gifts and Hospitality and shall avoid the same to maintain integrity and independence.

### **International Considerations in the Receipt of Gifts**

Laws and customs of some countries permit Gifts and courtesies. Refusing such Gifts or courtesies might be considered offensive in that country. In a situation where it is difficult or inadvisable to refuse a Gift or courtesy, you must disclose receipt of the Gift to your line manager and Compliance Officer immediately. The respective line manager will assist in handling the matter in consultation with the Compliance Officer.

It is important that Gifts be made openly and transparently, properly recorded in the Company's books and records, and given only where appropriate under local law, modest and customary where given, and reasonable for the occasion

Provision of Gifts, as well as the reporting requirements apply even if Employees, Directors and Third Parties are not seeking reimbursement for the expenses (i.e., paying these expenses out of your own pocket does not avoid these requirements).

## **6. Conflict of Interest**

A Conflict of Interest ("COI") could be defined as a situation that arises when a decision-making authority is seen to have a personal stake in the outcome of the decision itself. Conflict of Interest is a situation in which an Employee or Director (or one of his/her Relatives) has a private or personal interest, directly or indirectly, which (potentially) influences or appears to influence the objective exercise of his/her duties as an Employee or Director to the detriment

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or benefit of the company.

To maintain and affirm objectivity and independence, Employees and Directors should observe professional scepticism and reject inappropriate pressure from external stakeholders to avoid conflicts of interest.

Conflict of Interest can be broadly categorised as:

- a. **Actual Conflict of Interest:** An Actual COI is often considered to be situational in nature i.e., the Employee or Director faces a real and existing Conflict of Interest.
- b. **Potential Conflict of Interest:** A Potential COI may be defined as a COI which does not exist yet but may occur.
- c. **Perceived Conflict of Interest:** A Perceived COI is a situation where an Associate appears to have a COI, even if this is not the case.

### Employment

Employees and Directors shall not, exploit for their own personal gain, opportunities discovered through their employment and position with the Company, compete with KEC for business opportunities, accept simultaneous employment, participate or invest in activities and ventures which enhance or might enhance KEC's competitors.

The Company also prohibits the use of employment opportunities – whether permanent or temporary (including internship) – as a means to influence others to benefit the Company by acting improperly. Particular care must be taken where employment opportunities are extended to the following individuals to ensure that there is no conflict of interest or an indication that the employment offer is motivated by an intention to get an undue business advantage:

- i. Affiliates of Government Officials
- ii. Former Government Officials in full time/part time employment

Conflicts of interest is prohibited as a matter of Company policy. When in doubt about conflicts of interest – actual or potential or perceived, one should always consult with the Human Resources Department.

Employees and Directors must also disclose their relationships during recruitment of relatives/close personal friends or during appointment of a Third Party, Government Officials with whom the Employee and Director share a personal relationship.

## 7. Third Party Management

Employees and Directors are required to interact with various Third Parties to ensure the smooth operation of the Company's business. Payments made by the Third Parties that are or that purport to be on behalf the Company may be subject to the same liability as if the Company had itself made the payment. Hence, it is necessary that Employees and Directors dealing with Third Parties, either directly or indirectly should ensure that the Third Parties act with same standards as the Company.

While engaging with a Third Party, the Company should enter into a contract and ensure that the Third Party agrees to comply with the provisions of this Policy, ABAC laws, right to audit, adherence to contractual and compliance obligations.

## 8. Interactions with Government Officials

Employees, Directors of KEC and its local agents / representatives (acting on behalf) or other Third-Party representatives shall not offer anything of value (in cash or kind) to Government Officials which is intended to have an inappropriate influence on the Government Officials decision regarding awarding tenders, licence approvals, certifications, granting permits and purchase or supply of material.

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All services and/or arrangements with Government Officials / Departments / Authorities must carry a documented business need, written agreements, and appropriate approvals.

Adequate documentation should be maintained to reflect the true nature of the interaction or event involving Government Officials and Third Parties which interact with Government Authorities including periodic monitoring of such interactions.

Any concern related to interactions with Government Officials, should be immediately brought to the notice of respective business heads and the Compliance Officer.

## **9. Political Contributions, Charitable Donations and Sponsorships**

### **Political Contributions**

Political contributions can take many forms, ranging from the direct provision of cash contributions to political campaigns, to the provision of material resources or services including personnel or labour, donations to political action groups or non-governmental organizations with a political agenda.

The Company prohibits making political contributions which impose a sense of obligation on the recipient or influence official action that provides an inappropriate business advantage to the Company or its affiliates. Political contributions shall be governed by the requisite requirement and with prior approval of the Board of Directors and subject to the provisions of the Companies Act.

Employees and Directors are free to contribute or participate in or be affiliated with a political party, as long as such contribution, participation or affiliation is independent of the Employee and / or Director's engagement with the Company and does not create any Conflict of Interest or impinge any work-related commitments.

### **Charitable Donations**

The Company must in all circumstances avoid charitable donations or sponsorships that might be a disguised mechanism for Bribes or other Corrupt payments.

It is necessary to ensure that the: (a) charity is a legitimate charity; (b) payment will not be diverted to or otherwise benefit the official or his or her relatives; (c) donation is transparent and will be properly recorded in the financial records; (d) arrangement complies with all applicable laws; (e) donation is not given in exchange for a favorable decision by the requestor; and (f) charitable donations are duly approved.

Donations shall not be made to specific entities or charities at the request of governments (and Government Officials) or Third Parties which may result in improper business advantage to the Company or any Third Party.

Donations, if any, by the Company shall be made in accordance with the provisions of the Companies Act, 2013 with prior approval of the CEO & Managing Director with the limits approved by the Shareholders under the Companies Act, 2013.

A non-business advertisement of in excess of INR 10,000/- or equivalent amount in USD, including an advertisement in the souvenir or any similar support, either directly or indirectly, shall not be made without prior approval of the CEO & Managing Director.

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### **Sponsorship**

Sponsorships are closely allied to the various types of community / business activities undertaken by the Company. Any sponsorship must be for Legitimate Business Purpose or charitable objectives without any element of quid pro quo.

Any sponsorships made or offered on behalf of the Company must:

- i. Comply with this Policy and applicable laws and regulations.
- ii. Not have a conflict of interest with the Company.
- iii. Must be duly approved
- iv. Ensure that all documentation (including invoices and receipts) is properly recorded.

The respective business functions shall be responsible for conducting due diligence on the Third Party to ensure that the recipient of any donation or sponsorship is legitimate and, in the case of a charity that the sponsorship was expensed or accounted for in an appropriate manner.

## **10. Books and records and internal controls**

**Any “off-the record” payments and any form of fraudulent accounting or falsification of books and records to conceal or layer any Bribe are prohibited.**

Employees, Directors and those acting on behalf of the Company such as Third Parties and domestic and international subsidiaries/affiliates/associates have an obligation to report all transactions accurately and ensure no payments are made based on false documentation. Adequate documents related to expenditure incurred including receipt, reason for expenditure, proof of payment, proof of delivery of service or goods, approvals, agreements etc. should be maintained. The documentation should reflect the true nature of transactions undertaken by those acting on behalf of KEC with vendors, suppliers, etc., especially for transactions overseas and in high-risk geographies/countries.

The Company must maintain an effective system of internal control and monitoring of its transactions. It is the responsibility of each individual to be knowledgeable of control procedures and ensure its compliance.

## **11. Economic Sanctions**

All Employees, Directors and Third Parties (when acting on behalf of the Company) have to comply with Indian laws and laws of other countries relating to sanctions that are, or may be, of potential relevance including those Sanctions Laws administered, enacted or enforced from time to time by the United States (including without limitation the Department of Treasury, Office of Foreign Assets Control), the United Nations, the European Union and enforced by its member states, Her Majesty’s Treasury or other similar governmental bodies with regulatory authority over the Company (collectively, “Sanctions Laws”). No Employee, Directors or Third Party (when acting on behalf of the Company) is permitted to (directly or indirectly):

- Engage in any business or dealings with or for the benefit of any person that is (i) the subject of Sanctions Laws, (ii) located in or organized under the laws of a country or territory which is the subject of country- or territory-wide Sanctions Laws, or (iii) owned 50% or more, or controlled, by any of the foregoing (collectively, “Sanctioned Parties”); or
- Facilitate business or dealings with Sanctioned Parties.

The Company shall not do business with Sanctioned Parties such as (i) Sanctioned individuals, (ii) Sanctioned Third parties and their employees or (iii) any Third Party operating in Sanctioned countries. Further, as the implementation and lifting of various sanctions is an evolving feature of geo-politics, this Policy shall be subject to latest revisions to

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applicable sanctions laws and regulations.

### **12. Compliance with this Policy and laws**

Any violation of this Policy may seriously affect the Company and its reputation and brand value. Any violation of this Policy will be dealt strictly and failure to adhere to the Policy may result in disciplinary action as per the RPG Code of Corporate Governance and Ethics and other applicable policies.

The Company and its shareholders in such circumstances may also be required to pay major civil or criminal penalties, even where such activities are common within the country or jurisdiction in question. Further, the Company will not reimburse any fines/ penalties levied on account of the above.

Employees and Directors can confidentially report a violation of this policy or potential violation of the policy as per the channels mentioned in the Whistle Blower Policy and Vigil Mechanism.

### **13. Training and Communication**

All Employees and Directors, domestic and international subsidiaries / affiliates / associates and Third Parties working with the Company must comply with the principles of this Policy.

All Employees shall participate in mandatory annual trainings on the requirements and obligations of this Policy, including with respect to anti-corruption and trade sanctions. All Employees and Directors must, declare in writing annually their compliance with the ABAC Policy (Refer **Appendix A**).

### **14. Exception management**

Any exception (other than the exceptions specified in the specific policies) to this Policy will require a written approval from the Compliance Officer along with detailed explanation for seeking the exception. However, such exception shall not be contrary to applicable ABAC laws.

### **15. Review and revision**

This policy shall be reviewed and revised as and when deemed necessary by the Company.

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### Appendix A - Anti-Bribery and Anti-Corruption Policy and Conflict of Interest declaration (Employees)

I, the undersigned, [Full Name] – [Designation] – [Employee ID] hereby declare that:

I have received, read, and understood the meaning and scope of the Anti-Bribery and Anti-Corruption Policy (“**Policy**”) in detail. I hereby declare that I have complied with the Policy and I hereby undertake to respect its requirements in the future.

I also declare that neither am I aware of nor have I witnessed any act that could be considered to be an act of fraud or bribe or corruption.

I hereby acknowledge that I am fully aware of my obligation to report any potential violation of the Policy to the Corporate Governance and Ethics Committee.

I hereby acknowledge that I am fully aware of my obligation as required by Conflict of Interests Policy to report any personal interests that conflicts / potentially conflicts / may be perceived as a conflict with the interests of the Company or my duties as [an/a] [Employee or Director] of the Company. I have complied with the Conflict of Interests Policy and I hereby undertake to respect its requirements in the future.

Should I have any questions regarding ABAC or Conflict of Interests Policy or find any deviations or violations, I will contact the Compliance Officer immediately.

I understand that failure to comply with the Policy, and applicable Anti-Bribery and Anti-Corruption laws may result in disciplinary action including immediate termination and prosecution, with penalties including fines and/or imprisonment.

Comments:

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Signature:

Name:

Designation:

Department Name:

Employee ID:

Location:

Date: