

2.5 ANTI BRIBERY & ANTI CORRUPTION (ABAC) POLICY

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Developed by: ESG Department

Owner Department: General Counsel

Approved by : Group CEO

Objective:

The Anti - Bribery and Anti-Corruption Policy (hereinafter referred to as "ABAC Policy/Policy") aims at incorporating fundamental principles and requirements for maintenance of ethics and integrity in the business we as an organization undertake in the domestic and international arenas.

The employees being the representatives of the company are expected to perform their duties with integrity within the framework of this ABAC Policy.

Scope:

The ABAC Policy extends to all employees, vendors, contractors, customers, consultants and others who are associated in their professional capacity with Shirdi Sai Electricals Limited (hereinafter referred to as "Company").

Definitions:

- Bribery – Bribery includes an offer, a promise, to give, demand or acceptance of an undue advantage which is illegal, unethical or a breach of trust as an inducement for an action. Bribes often involve payments (or promises of payments) but may also include anything of value - providing exorbitant /inappropriate gifts, hospitality and entertainment, inside information, or sexual or other favors; offering employment to a relative; underwriting personal travel expenses; abuse of function; or other significant favors. Additionally, Bribery also entails advantages provided directly, as well as indirectly through an intermediary.
- Corruption – Corruption includes wrongdoing on the part of an authority, a commercial organization (any person associated with such commercial organization) or those in power, through means that are illegitimate, immoral, or incompatible with ethical standards.
- Gifts – Any goods or services given or received to unfairly influence a business outcome.
- Kickbacks – Any action of payment that is typically made in return for a business favor or advantage.
- Travel and entertainment Expenses – Any expenditure incurred unreasonably for third parties and their relatives for the purpose of travel, accommodation, food, and beverages, for entertainment and such other expenditure that is not legitimately and directly related to the business and services of the Company.
- Third Party – Third Party includes any individual or organization, who/which comes into contact with the Company or transacts with the Company, and also includes clients, vendors, consultants, retainers, agents, advisors, distributors,

Principles and Guidelines

The Company strictly discourages any activity falling under the ambit of Bribery and/or Corruption by or to any of its employees and hold any such person or any organization that the person is working under, liable who gives or promises to give any undue advantage to any person including a public servant intending— (a) to obtain or retain business for such commercial organization; or (b) to obtain or retain an advantage in the conduct of business. business associates, partners (including academic institutions), contractors, suppliers or service providers who work for and on behalf of the company.

The Company appreciates hospitality, promotional and normal and accepted behavior of giving within the organization. However, any actions of gifting beyond justifiable reason and proportionality shall attract the components of Bribery and Corruption under this Policy. Gifting any items such as cash or any other reasonably valuable items to any person or any organization for undue advantage is strictly prohibited.

Facilitation Payment or Kickbacks are unofficial payments made to public officials in order to secure or expedite the performance/ non-performance of a routine or necessary action. They are sometimes referred to as 'speed' money or 'grease' payments or 'good-will money'. The payer of the facilitation payment usually already has a legal or other entitlement to the relevant action.

The ABAC Policy prohibits employees from giving bribes and/or activities of Corruption not only to any public/government official but also to any private individual. Bribery in any form will not be tolerated.

All Third-Party associations shall be maintained cleanly with all records involving payments at all times. To maintain transparency and integrity of existing and potential business relationships, no favors or undue advantages shall be catered to Third Parties by the employees of the Company nor shall the employees of the Company be the recipients of favors or undue advantages.

Improper performance Breach of an expectation that a person will act in good faith, impartially or in accordance with a position of trust amounts to improper performance. This would also include obtaining, agreeing to receive, accepting, or attempting to obtain, an undue advantage for acts to be performed properly.

Travel and Entertainment Expenses

The employees of the Company shall not participate in either giving or receiving any Travel and entertainment Expenses (as defined above) from or to any Third Party that is not directly related to business formality and procedure established, but for undue gains which could potentially impact the business. No employee shall indulge in extending Travel and entertainment Expenses to governmental officials or their family or relatives as per this Policy.

Any monies spent by the employees should be requested in the right procedure as followed in the Company and such monies shall be reimbursed according to the Company's general audit practices.

Donations and Contributions

The Company does not seek to influence the outcome of public elections, nor to undermine or alter any system of government. The Company does not support any specific political party or candidate for political office. Our conduct precludes any activity that could be interpreted as mutual dependence / favor with any political body or person, and we do not offer or give any company funds or property or other resources as donations to any specific political party, candidate or campaign.

The Policy prohibits making of any political contributions from the funds, properties or other resources of the Company except when in compliance with applicable law.

The Policy permits charitable donations for humanitarian needs and other factors, including emergency situations and disaster relief. Such contributions must be made in compliance with the Company's Corporate Social Responsibility Policy, as adopted by the Board. However, it is important that we pay special attention when making donations such that they shall be made without demand or expectation, so that our donations would not be considered inducements or corruption or bribery.

Recordkeeping And Internal Controls:

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

All accounts, invoices and other documents and records relating to dealings with third parties, such as clients, suppliers/vendors and business contacts, should be prepared and maintained with strict accuracy and completeness.

No records shall ever be kept off-book to facilitate or conceal improper payments.

All documentation will be maintained by the General Counsel & enquiry committees of Redressal Mechanism in case of complaints.

Ongoing Compliance Monitoring and Training:

Awareness and processes of complaints handling by General Counsel is to be done on a regular basis with both employees and vendors. The information on the redressal mechanism must be publicly available on the website.

Reporting Incidents of Misconduct (Grievance Redressal Mechanism):

All grievances which allege violation of this ABAC Policy shall be made to the Single Window Redressal Mechanism under the General Counsel and these shall be taken up by an independent inquiry panel instituted to investigate the same.

Periodic Review and Evaluation:

All allegations, investigations and inquiry reports will be submitted to the Audit Committee of the Board.

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