

Gifts, Business Entertainment & Hospitality Policy

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1. Purpose

The purpose of this policy is to set out the responsibilities of employees in relation to gifts, entertainment and hospitality, explain in what circumstances gifts and business entertainment may legitimately be given or received and clarify what forms of gifts, entertainment and hospitality are prohibited.

2. Policy

This policy applies to all companies of Gatronova group; covering the following aspects:

The Company recognizes that it may be customary for its employees and business partners (suppliers or customers) to occasionally exchange small gifts and that such gifts are legitimate tools in developing and maintaining good business relationships. However, significant care must be exercised as exchanging gifts may create actual or perceived conflicts of interest.

Business entertainment and hospitality can also play important role in strengthening working relationships with business partners. Accordingly, employees may accept or provide business entertainment and hospitality offered for legitimate business purposes, such as building goodwill and enhancing relationships with business partner, provided that the entertainment and hospitality complies with this policy.

There must always be an appropriate balance between building and maintaining strong relationships and ensuring that we maintain our professionalism, objectivity, integrity, independence and compliance with applicable laws.

I. Gifts:

'Gift' means benefit of any kind given to someone as a sign of appreciation or friendship without expectation of receiving anything in return and includes (but is not limited to):

- Merchandise (e.g., gift baskets, clothing, mugs, pens and collectibles);
- Tickets to sports, music or cultural events where employees and third-party representatives providing/receiving the tickets do not attend the event together; Travelling not associated with a business conference, meeting or event; or
- Favorable terms or discounts received / provided on a product or service for the employee's benefit that are not otherwise available to all

Company / third party employees.

As a general rule, employees may accept gifts from or provide gifts to customers, suppliers, or other business partners, provided the gift:

- Is for legitimate business purposes, such as building goodwill and strengthening working relationships (e.g., holiday or ceremonial presentations, service anniversaries, or retirement);
- Does not actually, apparently, or impliedly entitle or obligate a supplier, customer, or other business partner to give or receive preferential treatment, an award of business, better prices, or improved terms of sale;
- Is not accepted / provided during contract negotiations or while a proposal for business is pending;
- Would not embarrass the gift giver / receiver if disclosed publicly; and
- Is valued not greater than Rs.2,000 or has a total cumulative value of Rs.10,000 during a year.

Any gift received by an employee in excess of the limits allowed under this policy shall be returned to the business partner. However, there may be instances where it shall not be feasible to return the gift and, in such cases, the gifts shall be submitted to the Human Resource Department. The Human Resource Department shall, in collaboration with the Administration Department, dispose the gift and donate the sale proceeds to an appropriate charity.

Employees receiving gifts shall be required to report the details of the gift to the Human Resources department. Human Resources Department shall be required to maintain a log of employee wise gift details either within limit or excess of limit.

Furthermore, there might be certain occasions where an employee may wish to present a gift in excess of the limits allowed under this policy to a valuable business partner. Such gifts must be pre-approved by Director.

Company employees shall not provide gifts to or receive gifts from business partners if the gift is one of the following (but not limited to):

- Illegal / prohibited by local law
- Conditioned on receiving something in return, like favorable business terms or an advantage in the bidding process, often called a "Quid Pro Quo" ("this for that")
- Cash or cash equivalents, like cheques, money orders, loans, stock, stock options gift cards and gift certificates redeemable for cash

- Given as a bribe, payoff, or kickback (e.g., to obtain or retain business)
- Given in the form of services or other non-cash benefits (e.g., the promise of employment)
- Given to family members of business partners

II. Business Entertainment:

'Business Entertainment' includes events, such as a sporting event or meal, where the business partners are present. Any event for which tickets are provided or accepted by the Company and not attended by the business partners are "gifts" and fall under the gift parameters defined above.

Specifically, accepting or providing business entertainment is permitted only if such entertainment:

- Would not influence, or appear to influence the employee's ability to act in the best interest of the Company;
- Is reasonably related to a legitimate business purpose (e.g., accompanying a customer or supplier to a local theater/sporting event or attending a business meal);
- Is not given as a bribe, payoff, or kickback (e.g., to obtain or retain business);
- Is reasonable and appropriate in the context of the business occasion; or
- is otherwise not prohibited by law.

Company's employees shall not provide business entertainment to or receive business entertainment from business partners if the entertainment can be construed to influence or create an obligation on Company which are not in its best interests or where representation would result in potential reputational damage.

In case of any doubt pertaining to acceptance or provision of gifts or business entertainment, Human Resources Department should be consulted by relevant personnel.

III. Hospitality:

'Hospitality' means any form of social amenity, travelling or accommodation offered or received. Hospitality covers items such as:

- Meals: breakfast, lunch, dinner, cocktails, receptions,
- Hotel accommodation,
- Travel and trips by car, air or train,

Like gifts and entertainment, hospitality from / to a supplier, customer or other business partner must be exercised with special care.

While offers for meals are generally acceptable being nominal in value, offers for travel and accommodation are rarely nominal.

Company employees shall not accept an offer to pay for travel or accommodation from a supplier, customer or other business partner except prior approval by the Group Head of Human Resources Department and the Director.

Group Head of Human Resources Department shall review requests on a case-by-case basis. In reviewing the request, Group Head of Human Resources Department will consider a number of factors, including whether:

- the primary purpose of the travel or accommodation is business-related;
- the class of travel or accommodation is appropriate and reasonable;

After completion of the review, if found acceptable, Group Head of Human Resources Department shall recommend the request to the Director for approval.

Any Employee who become aware of any other employee for receiving gifts, business entertainment and hospitality from any business partner in violation of this policy, shall also immediately inform to Group Head of Human Resources department for taking necessary action.

The Company's employee shall adhere to the "Company's Code of Conduct", and policies that may be applicable to contemplated gifts, business entertainment and hospitality such as Ethics and Business Principle Policy and Anti-Bribery and Corruption Policy.