

- if any "red flags" are present (see section 2 below), or in any other situations which would reasonably be considered to give rise to a risk the third party might pay a bribe on behalf of Tata Consumer Products Limited.

1.5 The following types of third parties do not need to be referred to the Ethics Counsellors for pre-clearance: banks and other regulated financial institutions (including investment banks), lawyers and accountants, which are:

- well-known and reputable; and
- domiciled and regulated in a low risk jurisdiction¹.

2. RED FLAGS: WARNING SIGNS FOR CORRUPT CONDUCT

2.1 There are certain categories of activities that may arouse suspicion about a person with whom Tata Consumer Products Limited has an actual or proposed business relationship. Some of these categories can be broadly described as:

- Insufficient, false or inconsistent information provided by the third party, particularly when anti-corruption due diligence is performed;
- Transactions or requests that are not consistent with the business activities of the person, for example requests for payments to a foreign jurisdiction with no connection to the person (particularly higher risk countries, e.g. those with strict banking secrecy laws, weak anti-money laundering controls or where crime/corruption is widespread²);
- A request by a person to structure a transaction to evade normal record keeping and/or reporting requirements or to structure it in a way that appears to have no legitimate business purpose, for example increasing prices or paying funds under cover of a side letter;
- Payments through a third party that has no contractual relationship with Tata Consumer Products Limited, or where a shell company serves as a middleman (especially when domiciled in an offshore secrecy haven);
- When there are traces or signs that the person is not acting on his own behalf, and is trying to conceal the true beneficial owner's identity;
- Use of consultants or representatives who are closely connected with the government or a political party, or have been specifically requested by a Public Official or the representative of a client;
- Requests for unusually large commissions, retainers, or other fees;
- Lack of transparency in expenses and accounting records, or the provision of information which is apparently false or inconsistent;
- Third parties who lack relevant qualifications, experience or resources; or
- Third parties who refuse to abide by the TCoC or any other ethics or anti-bribery policies, or applicable anti-corruption laws.

¹ For these purposes, a low risk jurisdiction is defined as a country with a score of 6 or above in the Transparency International Corruption Perceptions Index (available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2010/results).

² For these purposes, higher risk jurisdictions should be taken to include at least those with a score of below 4 in the Transparency International Corruption Perceptions Index (available at http://www.transparency.org/policy_research/surveys_indices/cpi/2010/results);

