

GIFTS and HOSPITALITY POLICY

Dated August 4, 2020

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GIFTS and HOSPITALITY POLICY

I. POLICY STATEMENT AND PURPOSE

- The Tata brand equity and reputation have been built on a heritage of ethical conduct and trust. Tata companies are expected to lead rather than follow, and therefore set high standards of ethical conduct that others will seek to emulate. Our collective adherence to these guidelines represents our promise to ourselves and to the many stakeholders of Brand Tata. Each Tata employee is responsible to ensure that his or her behaviour and actions, both individual and collective, stay aligned with these values.

- Business gifts and hospitality are sometimes used in the normal course of business activity, as a means to build goodwill and strengthen working relationships among business associates. However, if offers of gifts or hospitality (including entertainment or travel) are frequent or of substantial value, they may create the appearance of, or an actual, conflict of interest or illicit payment.

- Tata Consumer Products Limited (TCPL)/(**“Company”**) does not believe that it is appropriate to accept gifts or personal hospitality from customers, suppliers or any other person or organisation with which the Company has (or might have) business connections. This is because it is important to ensure that none of our employees acts in any way that could create a sense of obligation by accepting the gift or personal hospitality. Recognising that the Gifts and Hospitality Policy (hereinafter referred to as **“The Policy”**) needs to be proportionate, the Company also deems some form of modest promotional gifts and certain corporate entertainment to be a legitimate part of business life. The Company has adopted this Policy to help its employees make the appropriate decisions, when they are offered gifts or hospitality while conducting business or transactional dealings on behalf of the Company, or when they want to offer gifts or hospitality to others.

- Gifts and hospitality may be acceptable if they are reasonable, proportionate, made in good faith and in compliance with the Company's policies, inclusive of *Section D, Clause 11* and *Section G, Clause 4* of the Tata Code of Conduct 2015 (**“TCOC 2015”**), the Policy and various related advisories that may be issued from time to time. Any doubts in this regard should be clarified with the Company's Ethics Counsellor (CEC).

- This Gifts and Hospitality Policy is in addition to and should be read in conjunction with:
 - a) The TCOC 2015;
 - b) The Whistleblower Policy;
 - c) The Anti-bribery and anti-corruption (ABAC) Policy;
 - d) Any guidance published pursuant to this Policy;
 - e) Any other relevant policies as may be implemented from time to time.

- Because no code of conduct or policy can cover every possible situation, our Company relies on the Designated Persons (defined below) to use good judgment and to speak up when they have either questions or concerns.

II. SCOPE AND APPLICABILITY

This Policy is applicable to our Company. Our Company shall recommend adoption of this Policy to the Boards of its subsidiaries, associates and joint ventures.

This Policy is applicable to all individuals working at all levels and grades, including executive directors, senior managers, officers, other employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, interns, seconded staff, casual workers and agency staff, agents, or any other person associated with our Company and such other persons, including those acting on behalf of our Company, as designated by the Compliance Officer (*as referred in the 'TCPL ABAC policy'*) from time to time (all of the aforesaid being collectively referred to as “**Designated Persons**”).

Designated Persons have a special responsibility to comply with this Policy, and ensure that our Company's procedures and measures to combat risks and threats are upheld and strengthened. If in doubt whether an act would breach this Policy, the Designated Person must take a step back and ask oneself the following on a contemplated action:

- What is the intent? Is it a part of building a sustainable relationship or is it something else?
- How would it look if details of the gift or hospitality were to appear on the front page of a major newspaper?
- What if the gifting or hospitality situation were reversed – would there be a double standard?

This policy is not meant to regulate corporate practices related to:

1. Discounts or discount-coupons given to employees of Tata companies for products or services of Tata companies by virtue of their being Tata-employees.
2. Gifts or discount coupons given to employees (or non- employees) who are winners of any internal or Tata-sponsored event.

Whenever faced with a doubt on the applicability of this Policy, or if an act could be perceived to be a breach of this Policy, consult the Company's Ethics Counsellor or the Company's Ethics Compliance Officer.

Ethics Counsellors are personnel appointed in the respective geographies designated for this role. Global Ethics Compliance Officer is Ms. Meghal Vakil, Associate Director-Ethics Compliance.

III. GIFT AND HOSPITALITY PRINCIPLES

- What is a “**Gift**”?
A gift is anything of value and would encompass any gratuitous monetary or non-monetary benefit. It includes tangible items such as cash, precious metals and stones, jewellery, art, and any of their equivalents, but also intangible items such as discounts, services, loans, favours, special privileges, advantages, benefits and rights that are not available to the general public. A “**gift**” also includes meals, entertainment, vacations,

trips, use of vacation homes, tickets to sporting or music events, outings, vendor familiarization trips, and use of recreational facilities.

- Designated Persons must familiarise themselves with our Company's Gifts and Hospitality Policy.
- Under no circumstances should any Designated Person ever solicit a gift from any person or entity that is doing, or seeks to do, business with the Company. Note that meals, entertainment and hospitality too may also qualify as a 'gift', unless they fall within reasonable bounds of value and occurrence.
- Offering gifts in order to win or keep business is unethical and, in many cases, illegal. If you find it difficult to provide a comfortable answer to questions on appropriateness of a gift, or if you are unsure if you should accept something of value, you must consult the Company's Compliance Officer or the Company Ethics Counsellor. If the Compliance Officer or the CEC is conflicted, seek guidance from the group Ethics Office, group Legal Office or group Human Resources.
- Note that this Policy is applicable whether a Designated Person is personally offered a gift, or if a gift is offered for the benefit of a specific group or department at the Company (including as a prize to be distributed at a party or event). All gifts received should be promptly reported to the Company Ethics Counsellor or the Compliance Officer if they are not in compliance with policies issued by the Company and as per applicable law.
- Gifts of cash (or cash equivalents) must never be accepted or given/offered.
- A Designated Person may give a modest gift to a government, or other public official, only when it is appropriate, allowed by local law, and in accordance with this Policy.
- Designated Persons are prohibited from offering gifts or granting favours outside the ordinary course of business to current or prospective customers, their employees or agents or any person (including, but not limited to government officials) with whom the Company or its business associates have a contractual relationship, or intend to negotiate an agreement.
- No Designated Person should accept or solicit any personal benefit from anyone in the course of business in a manner that might compromise, or appear to compromise their objective assessment.
- Hospitality and promotional or other business expenditure which seeks to improve the image of the Company, better present its products and services or establish cordial relationships is recognized as an established and important part of doing business. However, one must take care not to violate the law by offering or receiving excessively lavish gifts or hospitality that are perceived as 'bribes' and must ensure that gifts and hospitality adhere to the following principles:
 - Is bona-fide, made in the normal course of business and does not create the appearance (or an implied obligation) that the gift-giver is entitled to preferential treatment, an award of business, better prices, or improved terms of sale or service;
 - Complies with local laws and customs (including cultural and religious festivals) and is not prohibited under applicable law;

- Would not influence, or appear to influence, or cause a conflict of interest for the gift-giver or receiver;
- Does not include cash (or cash equivalents), gold or other precious metals, gems or stones;
- Does not include any form of services or non-cash benefits such as 'promise of employment';
- Disclosure of the same does not cause embarrassment to the giver or receiver or to the company in question;
- Is fully documented and supported by original receipts and accurately recorded in the books of accounts;
- Is given openly, not secretly, and in a manner that avoids the appearance of impropriety.

In addition to the above, each Designated Person is required to be in compliance with the specific guidelines set out in the Company's Gifts and Hospitality Policy, including in relation to maximum values permitted.

IV. ACCEPTING GIFTS

The Company recognizes that it is customary for some of its business associates to occasionally give modest gifts to those in the Company with whom they do business or have transactional dealings. It is important, however, that these gifts do not affect an employee's/Designated Person's business judgment, or give the appearance that judgment may be affected. Accordingly, the Company's employees must be very careful when it comes to accepting such gifts.

As a general rule, an employee of the Company may accept a gift from a business associate, provided such a gift:

- does not create the appearance (or an implied obligation) that the person giving the gift is entitled to preferential treatment, an award of business, better prices or improved terms of sale or service;
- is a token gift/memento of nominal value and preferably embossed with the logo of the entity giving the gift;
- would not influence, or appear to influence, the employee's ability to act in the best interest of the Company;
- is exchanged during festivals or other ceremonial occasions (e.g. flowers or sweets) and is commensurate with local culture and occasion;
- if valued at Rs. 2,500 or above (or US\$ **50**) (or equivalent in local currency) or above), even if promotional in nature, is reported to the recipient's Departmental Head and Company Ethics Counsellor, and is disclosed in the department's Gifts Register. The decision on appropriate treatment or action in relation to such a gift will be communicated to the employee/Designated Person by the Departmental Head after consulting with the Company Ethics Counsellor.

When a proffered gift needs to be returned to the gift-giver because it is in violation of this policy, a timely, respectful and appropriate explanatory note should accompany the gift being returned, explaining to the gift-giver the rationale for returning the gift. This note should be drafted sensitively with a view to minimise any misunderstanding on the part of the person giving the gift.

Gifts received may sometimes be consumables in the form of food/beverages, for instance. Such gifts, if received, should ideally be consumed by the general collective of employees, if it is not possible to return these to the gift-giver.

Gifts received, of a value higher than the monetary ceiling laid down in this Policy, and not possible to return to the gift-giver for valid reasons, may be considered for periodic

auction with the proceeds donated to a notified charity/charities. A record should be maintained in this regard.

The following gifts are *never* 'appropriate' and should *never* be accepted:

- gifts of cash or gold or other precious metals and stones, or gems;
- gifts that are prohibited under applicable law;
- gifts given as a bribe, payoff, kickback or facilitation payment (e.g., in order to obtain or retain business, or to secure an improper advantage);
- gifts the recipient knows are prohibited by the gift giver's or recipient's organization; and
- gifts given in the form of services or other non-cash benefits (e.g., a promise of employment).

The cumulative annual value of all gifts that an employee of the company may receive from a gift-giver may not exceed Rs. **5,000** / (US\$ **75** or equivalent in local currency) unless disclosed in the department's Gifts Register and approved by the Departmental Head, after appropriate consultation with the Company Ethics Counsellor.

An employee who receives a gift at an event of a ceremonial nature (e.g., commemoration of a business transaction) that might not be appropriate under these guidelines, but is impractical or offensive to refuse, may accept the gift and then promptly report it to his/her Departmental Head and the Company Ethics Counsellor. The employee can then discuss the appropriate action or response in consultation with them, and act as per the direction provided.

Employees must never solicit any gift that benefits them personally, regardless of value of the gift.

V. OFFERING GIFTS

The act of offering gifts assists in establishing or enhancing all types of relationships. This is also true for the corporate world and government agencies. It is also a way to recognize talent and achievements. The Company should have bona fide reasons for offering gifts, such as thanking long-standing customers, recognizing a dedicated employee, and so on. The primary intent should be to affirm the relationship in the most professional manner.

An employee should not offer on behalf of the Company:

- gifts or hospitality if there is a likelihood that it could be seen as 'bribery';
- gifts in the form of money;
- gifts or hospitality if these do not comply with the internal rules of the recipient (e.g. the business associate's Code of Conduct) or with relevant laws;
- gifts to family members of a supplier, customer, or other business partners;
- gifts to government officials, unless formally approved by a senior officer nominated by the CEO of the Company.

VI. MEALS AND REFRESHMENTS

Invitations to meals or to partake of refreshments may be accepted or offered in the course of interaction for and on behalf of the Company. However, the reasons for extending such invitations should be documented in the employee's expense claims. For example, the reasons could be categorized as follows:

- Hospitality during client/associate visits
- Meals after/during client/associate meetings

Reasonable and bona-fide expenses on hospitality (such as transportation, meals and hotel expenses) that are directly related to the business/operations of the Company, promotion and demonstration or explanation of products or services of the Company are permissible. In addition to the attendees from the Company, the name, designation and organization of the persons in attendance should be recorded, along with the purpose, by the employee while claiming the expense. All such expenses shall be accurately reflected in the Company's books of accounts

VII. ACCEPTING BUSINESS HOSPITALITY

Business hospitality (e.g. meals, tickets to a theatre or a sporting event) may occasionally be extended in order to strengthen working relationships among business associates. Similarly, employees may choose to accept business hospitality offered for legitimate business purposes, such as building goodwill and enhancing relationships with customers or suppliers, provided it complies with the following guidelines.

Specifically, accepting hospitality from the company's business associates is permitted *only* if such hospitality:

- is infrequent;
- is reasonably related to a legitimate business purpose (e.g., business discussions over a meal);
- is not given as a bribe, payoff, kickback or facilitation payment (e.g., in order to obtain or retain business or to secure an improper advantage);
- does not create the appearance (or an implied obligation) that the gift giver is entitled to preferential treatment, an award of business, better prices or improved terms of sale or service;
- is in good taste and occurs at a business appropriate venue;
- is reasonable and appropriate in the context of the business occasion;
- would not influence, or appear to influence, the employee's ability to act in the best interest of the Company;
- is disclosed, if applicable, in the department's Gifts Register.

The following is *never* 'appropriate' and such hospitality should *never* be accepted:

- Hospitality that can be viewed as excessive in the context of the business occasion;
- "Adult" entertainment, or any sort of event involving nudity or lewd behavior;
- Hospitality that can be viewed as creating any affiliation of the Company or the Company's brand with any particular political party;
- Hospitality that the recipient knows the gift-giver is not permitted to extend;
- Hospitality that would involve a breach of any applicable law.

Employees should consult the Company Ethics Counsellor or the Ethics Compliance officer, when in doubt as to whether an event, location or expenditure is appropriate or not.

Finally, the above hospitality guidelines apply to situations in which the host is present. Tickets to sporting or cultural events provided to the company's employees, and not attended by the host are essentially "gifts," and not "hospitality," and hence should be treated in accordance with the guidelines for 'Gifts' specified above.

VIII. TRAVEL AND ACCOMMODATION

It is acknowledged that hosting business associates at company premises in order to promote business interests, or undertaking reciprocal visits to facilities of business associates are an important aspect of building business relationships. However, in

addition to the general guidance on appropriateness of hospitality received, one should also consider the guidelines below in the case of promotional trips:

- Any such visit should have a legitimate business purpose, and any reimbursement of expenses is limited to that aspect of the visit;
- The timing of any such visit needs to be considered to ensure there is an objective business reason for the visit and to avoid any perception of undue influence;
- Daily allowances, cash advances or cash payments of any nature must not be sought from the business associate for such trips;
- For business associates, who are not vendors, suppliers or service providers, travel and overnight accommodation may be accepted if approved by the Departmental Head;
- No airline travel, whether domestic or international, is to be accepted from any business associate who is a vendor, supplier or service provider;
- No overnight accommodation is to be accepted from any business associate who is a vendor, supplier or service provider;
- In circumstances where participation in a vendor-supported event is deemed necessary for a business, and bulk booking arrangements are made by the vendor for accommodation and meals, the *pro-rata* costs should either be reimbursed to the vendor, or preferably paid directly to the provider of the accommodation and meals;
- Advance approval for such a vendor-supported event is obtained from the Departmental Head, after appropriate consultation with the Ethics Counsellor.

Ideally, family members or persons not directly related to the relevant business project should not join these trips/events. However, if they do attend, their expenses should be fully paid for by the concerned employee and not be paid or reimbursed by the Company, or by the business associate.

IX. RECEIPT OF GIFTS - DISCLOSURE

Any employee who receives or is offered a gift, which is above the value specified, from an existing or potential business contact must disclose the fact of the gift, its nature and the identity of the sender to his/her Department Head.

In cases where the employee's Department Head agrees that the gift is intended as a token of gratitude for work carried out to a particularly high standard or for an exceptional level of service delivered, the employee may, at the discretion of the Department Head, be permitted to retain the gift. Therefore, small gifts that are given as a token of genuine appreciation or gratitude would be acceptable, provided that the employee declares the gift in line with the Policy and provided that the employee does not subsequently treat the gift-giver more favourably than other stakeholders.

If the gift is anything other than a reasonable token of appreciation having no substantial financial value, the Department Head would decide what to do with the gift. The options could include donating the gift to charity, dividing it among team members, offering the gift as a prize for team incentives, using it for a charity raffle, etc. There may also be occasions, where the most appropriate thing to do in the circumstances would be to politely return the gift to the gift-giver.

The Company's view of what constitutes a 'token' or modest gift is linked to the perceived value of the gift. Gifts that have a perceived value over the limit of Rs. 2,500 specified earlier in this Policy must be recorded in the Gifts Register (as defined below).

The duty of disclosing gifts does not apply to promotional gifts, i.e. items such as stationery, pens, diaries, etc. that bear the logo or company name of another organisation, provided these have no significant monetary value.

All gifts beyond the value specified above, received by Designated Persons and other employees, should be disclosed in the Gifts Register, along with the following information:

- Employee name;
- Description of gift, relevant date;
- Identity of the gift giver;
- Approximate value of the gift;
- Context/business purpose of the gift;
- Approval, if applicable;
- Whether accepted;
- If accepted, the reason/s;

X. RELATIONSHIP WITH GOVERNMENT PERSONNEL

It is strictly against the Company's policy to offer or give money or gifts to any official or any employee of a governmental entity if doing so could reasonably be construed as having any connection with the Tata group's business relationship. Any proposed payment (such as a facilitation payment) or gift of any kind to a government official must be reviewed in advance by the Departmental Head, even if such gifting/payment is commonplace in the country in which the gifting/payment is being made. All employees should be aware that even offering or promising such payments could be a violation of the Policy, the TCOC and the law.

XI. DEPLOYMENT EFFECTIVENESS

Implementation of this policy would be measured through compliance and the maintenance of a Gifts Register. An 'online' Gifts Register in the form of a software application appropriate for this purpose may be developed and deployed for use. Alternatively, the Company may maintain a physical Gifts Register for this purpose.

In case of any query/ dilemma related to the above, employees of the Company are encouraged to promptly seek guidance for action from their Company Ethics Compliance Officer, Ms. Meghal Vakil, whose contact details are as follows:

Email ID: meghal.vakil@tataconsumer.com

XII. POLICY BREACH / DISCIPLINARY ACTION

Any breach or failure to abide by this Policy would be disclosed to the Audit Committee/Board of Directors of the company and appropriate action, including possible termination of services of the employee who committed the breach, would be initiated. Such action shall be in addition to any other rights or remedies that the Company may have against the defaulting employee under any applicable law. Our Company's Audit Committee will monitor the effectiveness and review the implementation of this Policy, considering its suitability, adequacy and effectiveness. Our Company reserves the right to vary and/or amend the terms of this Policy from time to time.

August 4, 2020



Annexure A: Limits for Giving and Accepting Gifts and Hospitality¹

Gifts²	No Pre-Approval Required	Advance Approval of Ethics Counsellor³ / Ethics Compliance Officer Required
U.S. and Canada	Up to U.S. \$50	Between U.S. \$50 & \$200
U.K	Up to £40	Between £40 & £150
Europe	Up to €50	Between €50 & €200
India	Up to 2,500 INR	Between 2,500 INR & 10,000 INR
China	Up to \$20	Between \$20 & \$100
ASEAN(Singapore, Malaysia, Hong Kong)	Up to 70 SGD	Between 70 & 300 SGD
Australia	Up to AUD 50	Between AUD 50 & 250
Latin America incl. Mexico	Up to \$25	Between \$25 & \$125

Hospitality (non-Government Officials)	No Pre-Approval Required	Advance Approval of Ethics Officer Required
U.S. and Canada	Up to U.S. \$150 per person	Between U.S. \$150 & \$1,000 per person
U.K	Up to £115	Between £115 & £600

¹ All approval thresholds in this Appendix are triggered on a per person basis.

² Gifts to Government Officials are prohibited unless approved by the Ethics Officer or his/her Designee.

³ Ethics Counsellors are personnel appointed in the respective geographies. Global Ethics Compliance Officer is Ms. Meghal Vakil, Associate Director-Ethics Compliance.

Hospitality (non-Government Officials)	No Pre-Approval Required	Advance Approval of Ethics Officer Required
Europe	Up to €130	Between €130 & €1,000
India	Up to 5,000 INR	Between 5,000 INR & 20,000 INR
China	Up to \$75	Between \$75 & \$ 500
ASEAN (Singapore, Malaysia, Hong Kong)	Up to 150 SGD	Between 150 & 1,250 SGD
Australia	Up to AUD 200	Between AUD 200 & 1,000
Latin America incl. Mexico	Up to \$50	Between \$50 & \$500

Hospitality (Government Officials)	No Pre-Approval Required	Manager Advance Approval Required	Advance Approval of Ethics Officer Required
Global	Up to U.S. \$25	N/A	Greater than \$25
India	Up to 1,500 INR	N/A	Greater than 1,500 INR

These limits may be updated by TCPL management from time to time.

**Procedure
for
Disposal of Gifts received**

TATA CONSUMER PRODUCTS LIMITED (TCPL) PROCEDURE - DISPOSAL OF GIFTS RECEIVED

1. Introduction

- 1.1 Exchange of gifts or hospitality are a fairly common feature in the nature of business interactions. However, one needs to be mindful that these exchanges are not construed as an inducement/quid-pro-quo or an attempt to influence a decision-making process in favour of the company extending such a courtesy.
- 1.2 Typically, a company's 'Gifts and hospitality' policy would lay down the company's guidelines for giving and receiving such courtesies. It is found that an organisation might be able to more easily manage the offer of such gifts or hospitality by its employees to others, but find it more challenging to curtail the offers of gifts and hospitality made by others to its employees.
- 1.3 A 'best practice' when being offered an obviously expensive gift would be to politely decline the gift in person, or return the gift to the sender along with a sensitively worded note of regret, stating that although the gesture was appreciated, accepting the gift would be against company policy.
- 1.4 It is however, possible that employees face situations where returning an expensive gift may not be possible or practical, for cultural, logistical or protocol-related reasons. There is, therefore, a need to have a formal, predictable procedure for managing and disposing such gifts.

2. Objective

- 2.1 The objective of this document is to help TCPL ("company") lay down a procedure for:
 - Declaring and depositing of certain gifts received by employees of the company.
 - Maintaining a record of such gifts deposited with the company.
 - Disposal of these gifts through an internal auction.
 - Channelling the proceeds from such auctions for charitable purposes.

3. Depositing of gifts received

- 3.1 Any employee of the company that receives a gift and is unable to either refuse to accept the gift or return it for reasons mentioned above (refer paragraph 1.4), should promptly report it's receipt to his/her Departmental Head, and the Company's Ethics Counsellor (CEC). Based on the recommendation of the Departmental Head/CEC, the gift may thereafter be deposited with the CEC's office.

The following needs to be adhered to while depositing a gift with the CEC:

- The gift should preferably be deposited within (7) seven days of its receipt.
- The name of the person and organisation giving the gift should be recorded.
- The date of the occasion and nature of interaction in which the gift was received should be recorded.
- The approximate value of the gift (determined by the receiver based on an online check, or enquiries with individuals/ entities who supply corporate gifts to the company) should be determined and recorded.
- The wrapping on the gift should be removed so that gift is clearly visible.

4. Recording and safe custody of gifts deposited

- 4.1 The CEC would maintain a 'Gifts register'. The CEC would record the following details in this register:

- Name and contact details of the employee depositing the gift.
 - Name of the person/organisation that has offered the gift.
 - Nature of the event/interaction at which the gift was offered.
 - Date of receipt of the gift by the employee
 - A short description of the gift.
 - Approximate value of the gift. (The CEC could choose to independently verify the approximate value of the gift cited by the employee).
 - Date of deposit of the gift with the CEC.
- 4.2 The CEC may consider having the gift photographed, and having its picture recorded along with the entry in the Gifts register.
- 4.3 Each gift would be stored in a manner that prevents it from damage or degradation. The CEC would also ensure safe custody of the gifts.
- 4.4 If recorded in large numbers, a gift's serial number in the 'Gifts Register' may be tagged to the gift for easy identification.
- 4.5 The Gifts register would be shared with the Company's Ethics Committee from time to time.

5. Planning the disposal of gifts

- 5.1 Gifts deposited with the CEC could be disposed by way of auction to the company's employees (and include other stakeholders too, if deemed appropriate). The auction would be held periodically, as and when an adequate number of gifts have been deposited with the CEC.
- 5.2 Proceeds of the auction would be donated to a charitable organisation (pre-identified by the company) through the cheques received from winning bidders.
- 5.3 At least (15) fifteen days prior to the proposed date of the auction, the CEC would propose the following to the Ethics Committee and obtain their approval regarding:
- Scheduled dates for the auction process.
 - The list of gifts to be offered for auction.
 - The name of the charity/organisation identified for donation of the auction proceeds:
 - The charity/organisation may be recommended by the company's Sustainability/CSR department, and changed with each auction cycle.
 - Care should be taken to avoid nominating institutions where the employees/customers/government officials could be direct beneficiaries of the funds received by the charity.
- 5.4 A Bid Review Committee (BRC) could be constituted consisting of nominees from the Ethics, HR and Sustainability functions, along with one nominee from an external agency, say an audit/consulting firm. The BRC would decide 'Reserve prices' of the gift articles on offer in the auction.
- 5.5 A 'Reserve price' for each gift item placed in auction should be decided in advance of the auction date.
- 5.6 'Reserve prices' of the gifts would not be disclosed by the BRC to anybody in advance of the auction. It may be ensured that the 'Reserve price' is neither too high nor too low compared to the fair market value of the gift item.

6. Auction of gifts

- 6.1 Informing employees/stakeholders.
The CEC would send an email (or any other appropriate means of communication) to all employees/stakeholders at least three days before the date of display of the gifts:
- This message would inform recipients about the purpose, the process and the schedule of the auction.
 - The charity/organization identified for donation of proceeds of the auction too would be named and described in the message
- 6.2 Display arrangements for the gift items:

The gifts could be on display for a period of three/four days during specified timings in a designated room for physical inspection by employees/stakeholders. The CEC would also ensure the following:

- Each gift would be displayed in a manner that it is clearly visible and independent of each other.
- Each gift would have an item code, item name and brief item description that would be displayed on a card/label placed next to the gift.
- Bid Forms with envelopes and sealing material would be available in the display room. A printed Bid Form would seek the following particulars:
 - Name of the bidder
 - Company in which the bidder is employed
 - Contact email of the bidder
 - Contact telephone number of the bidder
 - Item code
 - Item name
 - Bid amount (in Rs.)
 - Bid amount (in words)
 - Space for signature of the bidder.

6.3 Inspection and bidding:

The display room would be open for inspection during the scheduled timings announced earlier. Employees could inspect the gift items on display during these timings. Employees wishing to bid for one or more of the displayed gifts would:

- Ensure that:
 - they fill in correct details in the Bid Form
 - their bid price is a single amount (and not a price range) per bid
 - they sign the Bid Form, without which the bid would be considered an invalid one.
 - they submit one form per bid.
- Enclose the Bid Form in an envelope, seal the envelope, and specify the Item code of the gift being bid for on the envelope cover.
- Deposit the envelope in a sealed 'Bid drop-box' placed in the display room.

Employees may bid for one or more gifts on display at the auction. However, an employee could bid for a particular gift only once. Multiple bids for the same gift received from the same employee would render all the bids of the employee invalid.

6.4 Determining the winning bids:

On the scheduled date of review of bids, the BRC would open the sealed 'Bid drop-box', collate and document the bids and determine the highest bid for each gift item. This process would be completed within one or two days after closure of the auction, depending on the scale of the exercise. The BRC would ensure that:

- The key to the 'Bid drop-box' (including the duplicate key or keys) remain secured in their possession before the auction commences.
- The 'Bid drop-box' is secured safely during all days of the auction.
- They only consider bid forms that have been signed by the bidder.
- They invalidate all multiple bids for the same gift by the same bidder.
- They invalidate all bids made below the 'reserve price', or made in a price range instead of at a single bid price.
- They select a winning bid that is equal to or higher than the 'reserve price'. (In case no bid has reached the 'Reserve price', then no winner would be declared for the gift-item. This item would then be carried forward into the next auction cycle).
- In case of there being 'tied' bids for a particular gift-item, determination of a winning bid would be done by drawing of lots.

6.5 Announcing winners:

The BRC would prepare a list of winning bids, and have it signed by all BRC members. The CEC would arrange to send a communication to all individual winning bidders, as well as a 'regret' communication to all those whose bids did not make it. The communication to bid-winners may include the following:

- Details of the charity/organisation in whose name the cheques are to be deposited by the winners.
- Date by which cheques are to be deposited (at least three days lead-time to be provided).
- Any other details that may relevant to the transaction.

6.6 Handing over of the gift items:

On receipt of cheques from the winning bidders, the respective gift items may be handed over to the winners. An acknowledgement of receipt may be obtained from each winner on the company's Gifts Register, against the entry of the gift-item.

7. Donation to the charity/organisation

- 7.1 The CEC would record a list of winning bidders and the total proceeds received. This would be communicated to the company's Compliance Committee/ Ethics Committee, and their views solicited on the occasion and manner in which the auction proceeds may be handed over to the charity/organization.

8. Reporting and monitoring

- 8.1 The CEC would prepare a Closure report with help of a third-party, recording details of bids received, bids invalidated, winning bids and cases where the 'Reserve price' was not reached. The report would be shared with the Compliance Committee/ Ethics Committee.
- 8.2 During any Anti-Bribery Anti-Corruption compliance reviews by the company, its process of disposal of gifts may be reported, and reviewed accordingly.

August 4, 2020