

	MOFSL and Subsidiaries	WEF : 5 th Dec 2022
	Anti-Bribery & Anti- Corruption Policy	Version : 01/2022
PURPOSE	To establish guidelines/ Rules/Process for Anti-bribery and Anti-corruption. Motilal Oswal Financial Services observes the highest standards of ethical and business conduct and is committed to combatting all forms of corruption.	
SCOPE	This policy is applicable to All Associates of MOFSL Group and its Subsidiary Companies	
RESPONSIBILITY	HUMAN RESOURCE DEPARTMENT	

Definitions

a. Bribery

Bribery is defined as:

- Offering, paying, promising, giving or authorizing others to give; or requesting, accepting, obtaining, accepting to obtain, agreeing to receive,
- To any person or entity either directly or indirectly (may be of a government or commercial organization as defined)
- To improperly influence his / her act or decision
- In order to obtain or retain business or to obtain an improper business advantage

Bribery includes not only direct payments, but also authorizing or permitting a third party to commit any of the acts or take any part in the actions. Where an offence is committed by a commercial organization and such offence is proved in the court to have been committed with the consent or connivance of any director / manager/ secretary or other officer shall be of the commercial organization, such director / manager / secretary or other officer shall be guilty of the offence as defined under The Prevention of Corruption (Amendment) Act, 2018.

b. Corruption

Corruption means an action involving promising, proposing, giving, requesting, accepting, or inciting or aiding, by any person, in any manner, in breach of applicable laws, any undue financial, personal or other benefit, for such person or any other person, or accepting a proposal or promise of such benefits in exchange for action or inaction in the performance of official duties for and on behalf of the Company. Such action includes, but is not limited to, bribery, kickback, influence peddling and business corruption.

The following areas are recognized as especially vulnerable to Corruption:

- Commercial and investment activities and execution of contracts (including participation in tenders),
- Activities of the Company's Representatives/Attorneys-in-Fact,
- Marketing and promotional activities,
- Charitable and philanthropic activities,
- Activities related to employment, employee compensation, promotion of Employees and Collaborators,
- Social and communal activities,
- Activities related to taxation and financial reporting,
- Security of confidential and legally protected information.

c. Undue advantage

'Undue advantage' means any gratification whatever, other than legal remuneration.

- The word "gratification" is not limited to pecuniary gratifications or to gratifications estimable in money
- The expression "legal remuneration" is not restricted to remuneration paid to a public servant, but includes all remuneration which an employee is permitted by MOFSL, to receive 'Undue advantage' may also include cash, cash equivalents (such as gift cards), items such as jewelry, mobile phones, iPad, excessive business promotional activities, meals, entertainment of any kind (such as tickets to sporting events).

Offers of employment and personal favors or other advantages are some more examples of the many types of things that would qualify as 'undue advantage'.

d. Government official

The term "Government official" should be understood broadly. It includes:

- An official or employee of Government at any level (national, state or local) and in any branch of government (executive, legislative, or judicial) (such as a customs official, official of Municipal Corporation, an inspector from a health or environmental agency, or a tax official etc.)
- A director, officer, or employee (irrespective of position or level) of a company or entity owned or controlled by the Government (such as an employee in the procurement department of a state-owned construction company, public utilities, an employee at a state-owned hospital or school, a journalist at a state-owned media company)
- Any official or employee of a public international organization (such as the World Bank or International Monetary Fund)
- A candidate for a public office
- An official or employee of a political party, and a political party itself
- Relatives of the above
- Anyone acting on behalf of the above, such as advisors or lobbyists

In case of any doubts as to who qualifies as a Government official or foreign official, assume he/she is a government / foreign official and act accordingly.

e. Commercial Organization

Relevant "commercial organization" means

- A body which is incorporated in India and which carries on a business, whether in India or outside India;
- Any other body which is incorporated outside India and which carries on a business, or part of a business, in any part of India;
- A partnership firm or any association of persons formed in India and which carries on a business whether in India or outside India; or
- Any other partnership or association of persons which is formed outside India and which carries on a business, or part of a business, in any part of India;

"Business" includes a trade, profession, or providing service.

A person is said to be associated with the commercial organization, if such person performs services for or on behalf of the commercial organization.

f. Conflict of interest

Conflict of interest issues may arise in dealings between employees and vendors, employees and customers, employees and counterparties / other entities, employees and their acquaintances and also employees and relatives. Further, a conflict of interest arises when any dealing with any of the entities named above may appear to be influenced by your relationship with them. Such relationships may impair an objective or impartial assessment of the dealing/transaction and may not, therefore, be in the best interests of MOFSL.

Actions / Behaviour that may be construed as 'Bribery' & 'Corruption'

While deciding whether an action and behaviour can be interpreted or perceived as anti-lawful and / or corrupt, the following should be kept in mind:

- Intent of the transaction
- Whether or not there is a 'quid pro quo' involved
- The person / entity at the receiving end is a Government official / Government Department. (Refer definition of Government official in this section)
- Whether or not adequate approvals and documentation exist for the transaction
- Whether it would create an actual or perceived 'conflict of interest'.

Bribery risks are not limited to cash payments and may arise from an offer or transfer of anything of Value. Some typical areas that are most susceptible to bribery and corrupt practices are as mentioned below:

a. Conflict of Interest

All employees, third parties and suppliers must be selected on the basis of merit and requirements of the MOFSL and must not obtain any unfair advantages based on any relationship with an existing or prospective client or government/public official or employee.

Further, hiring of relatives in MOFSL will be discouraged. As there is a potential conflict of interest and governance issue around pre-existing relationships, the organization will ensure that these employees are not posted in a direct or indirect supervisory chain of command, in which one has influence over the other's status. (Refer to Spouse & Family Working Policy in MyZone)

MOFSL may not attempt to obtain or retain business or to secure an improper advantage of any kind by offering or providing any employment (including temporary employment or secondment or an internship) to any candidate:

- Who is an existing or prospective client;
- Who is a Government/Public official;
- Who is related to or closely affiliated with an existing or prospective client or Government/Public official; or
- Who has been referred to MOFSL directly or indirectly by an existing or prospective client or Government/Public official.

b. Business dealings with Third Parties (Including vendors)

Third party intermediaries who work on behalf of MOFSL are considered as an extension of MOFSL and any unlawful act committed by them may have adverse consequences for MOFSL. Thus, we should take appropriate steps to demonstrate that adequate measures were in place to identify and / or prevent the Third parties like collection agents, or suppliers etc. from indulging in any unlawful activity.

c. Facilitation Payments

Facilitation payments are typically small, unofficial payments made to secure or expedite a routine action (e.g., the issuance of licenses, registering property under rental agreement etc.) by an official, also known as "speed payments / speed money"). While the same may be allowed by law in certain jurisdictions, however MOFSL prohibits making or accepting, facilitation payments of any kind.

d. Travel and Entertainment expenses

Travel and entertainment expenses such as tickets, hotel, food, incidentals etc. may be incurred by the employees for bonafide official / business development purposes. All such expenses must be supported by original receipts / invoice and details of the guests, if applicable.

e. Business Gifts

Business Gifts include gift, hospitality, entertainment or other benefits from persons or companies with whom MOFSL does or may do business or compete with. It means anything of value, including but not limited to meals, accommodation, loans, cash, favorable terms or discounts on any product or service, services, equipment, products, transportation, use of vehicles, vacation or other facilities, securities, home improvements, tickets, gift certificates, gift cards, discount cards, memberships or consulting relationships.

f. Political Contributions

We should not take an active part in politics anywhere even outside MOFSL and shall not involve other employees, clients, suppliers, vendors or any other party with whom the company does business. We should not made political contributions on behalf of MOFSL to any political party official or political party unless such contribution is expressly permitted by law/ regulation / directive and has been pre-approved by the appropriate authority in MOFSL.

Reporting Violations and Monitoring

a. Reporting:

i. It is the duty of all those covered under anti-bribery and anti-corruption policy to comply with this policy and report any concern or information that they may have in relation to the violation of this provision of this document in respect of anti-bribery. The report may be submitted to the Internal Complaints Committee (ICC).

ii. Alternatively, concerns on the violations of the company policies may be reported through the Whistle Blower mechanism. Person reporting may choose to remain anonymous; however, identifying yourself is encouraged to facilitate communications. Notifications submitted in good faith will be treated in a confidential manner and examined thoroughly. A person submitting a Notification in good faith is entitled to protection, including identity protection. If the Notification is submitted in good faith, then, even if it turns out untrue, there may be no grounds for holding the notifying person accountable or drawing consequences with regard to such person. In particular, the notifying person is entitled to the confidentiality of data enabling his or her identification. Moreover, no Notification may have any unfavorable impact on such person's demotion, omission in promotion, reduction of employee compensation or termination of his or her employment contract or collaboration agreement.

iii. MOFSL takes all potential violations of this policy and applicable anti-corruption laws seriously. Thus, all allegations will be kept confidential and proper investigation will be conducted as directed by the Internal Complaint Committee.

No repressive or discriminatory action or other unfair treatment will be tolerated if directed toward:

- a) the notifying person,
- b) any persons participating in the investigation,
- c) the person indicated in the Notification.

The breaches referred to above may serve as the basis for taking disciplinary action.

iv. A quarterly report on the findings under this Policy will be submitted to the Internal Complaint Committee (ICC).

v. If any question arises as to the application or interpretation of any of these regulations, it shall be referred to the Internal Complaint Committee (ICC) for a decision in the matter.

b. Breach of Anti-bribery and Anti-Corruption Policy

- i. Failure to comply with this policy or any misrepresentation, violation may be grounds for disciplinary action to be initiated by MOFSL, as considered appropriate, including termination of employees as per MOFSL code of conduct & Ethics. In respect of vendors, in addition to termination of services, penalties may be applied. Non-awareness of this policy shall not be an excuse for misrepresentation. The consequences of non-compliance with the requirements set forth in the Policy and/or the laws on preventing Corruption may be very serious. Any breach of such laws may result in criminal or civil liability.
- ii. Bribery is a criminal offence. The defaulting Designated Person will be accountable whether she/he pays a bribe herself/himself or authorizes, assists, or conspires with someone else to violate this Policy or an anti-corruption/anti-bribery law. Such cases will be referred by MOFSL to the law enforcement agencies and no support will be rendered by MOFSL to the concerned employee or vendor.
- iii. In case of violations of this policy, the Chairman of Audit Committee shall take appropriate steps such as:
 - a) Assigning an Investigation Team / Committee
 - b) Conducting an Investigation

c) Disciplinary Actions and Penalties

c. Monitoring

Member(s) of Internal Complaints Committee (ICC) and Head of Human Resources will be responsible for review of compliance of this document on an on-going basis through virtual surprise tests, filling detailed questionnaires by Employees and Suppliers. The Chairman of Audit Committee may also review the compliance whenever desired. Further, periodic independent reviews of documentation of third parties such as contractors, consultants and suppliers may be conducted as part of monitoring. Regular revisions to Anti- bribery and anti-corruption policy shall be ensured as and when required by any statute or by any change in internal policies of MOFSL, which have a direct impact on this policy.

d. Training

Compulsory training preferably at the time of induction will be provided to the employees of the Company so that they can be made aware of their obligations under this Policy, relevant legislation and code of conduct policy of the Company. Employees will also be made aware of their obligations regarding prevention of corruption and prohibition on bribery under their contract of employment.

AUTHORITY & RESPONSIBILITY:

Should there be ambiguity or difference in interpretation of this policy with regard to this policy or applicability, Internal Compliant Committee (ICC) and Head HR is the company's authorized final authority to interpret the same.

AMENDMENTS:

The company may at its discretion review, add, delete, alter, modify, expand or rescind any of the policy rules with or without any notice. Modifications and reviews will take place once in year or at such periodical interval.

ANNEXURE:

STATEMENT OF ACKNOWLEDGMENT AND ACCEPTANCE OF THE ANTI-BRIBERY AND ANTI- CORRUPTION POLICY OF THE MOFSL GROUP

PLACE _____

DATE _____

NAME _____

POSITION _____

COMPANY / ORGANIZATIONAL UNIT _____

I, the undersigned, hereby declare that I have familiarized myself with the Anti-Bribery and Anti-Corruption Policy of the MOFSL Group that I understand all its provisions, including the rights and obligations arising therefrom, and I undertake to adhere to them.

In particular, I undertake to refrain from taking any action that might constitute a breach of the principles set forth in the Anti-Bribery and Anti-Corruption Policy of the MOFSL Group.

LEGIBLE SIGNATURE _____