Policy on Anti-Bribery & Anti-Corruption

Contents

1. Introduction of the Policy

1.1 This Anti-Bribery and Anti-Corruption Policy (the "Policy") applies to VA TECH WABAG LIMITED ("WABAG" or "the Company"), all its subsidiaries and controlled affiliates, and all their directors, officers and employees and employees serving as directors (or equivalent) of non-controlled affiliates; and supports the principles in relation to business ethics and anti-corruption.

1.2 WABAG is committed to ensuring that no bribes, kick-backs or similar gifts, payments or advantages are solicited from or given to any person for any purpose. This Policy is intended for the following purposes:

- to assist the employees to recognize circumstances which may give the appearance of corruption or unethical business conduct;
- to avoid conduct which is clearly prohibited; and
- to encourage the employees to promptly seek guidance whenever necessary.

1.3 Bribery normally involves paying or offering money, or something else of value, to obtain or keep an improper advantage, or to induce or reward someone for acting improperly. Someone acts improperly if they act in a way they are not supposed to, for example an employee acting in breach of duties he owes to his employer or a public official acting for his own personal benefit rather than in the public interest. A gift or other advantage would also be improper if the recipient would not be allowed to accept it, whether as a matter of law or because of the rules of his / her employer's organization. Bribes often involve payments (or promises of payments) but may also include providing lavish / inappropriate gifts or other significant favors.

1.4 Questions in relation to this Policy should be directed to the *Chief Financial Officer* at the Corporate Office.

2. Scope of the Policy

2.1 WABAG requires all its employees to comply fully with all applicable laws and regulations in the territories where the Company conducts business, and to adhere to high standards of ethical conduct.

2.2 This Policy sets out minimum standards to help WABAG and its Employees to prevent, detect and report public corruption and commercial bribery.

2.3 Breach of applicable anti-corruption laws may also result in criminal, civil and regulatory penalties for WABAG and / or its Employees, including fines and imprisonment, and severe reputational damage for WABAG. Compliance with the Policy is therefore of fundamental importance.

3. Regulatory Compliance – Understanding Bribery

3.1 Employees and other representatives of WABAG are strictly prohibited from:

3.1.1 **offering, promising, giving or authorizing,** directly or indirectly, any bribe or kick back to or for the benefit of any person in order to obtain or keep any improper business or other advantage for WABAG, for themselves, or for their family, friends, associates or acquaintances;

3.1.2 **soliciting, accepting or receiving** (whether for WABAG's benefit, their own benefit or that of their family, friends, associates or acquaintances) any bribe or kick back from any person; or

3.1.3 **acting as an intermediary** for a third party in the solicitation, acceptance, payment or offer of a bribe or kick back.

3.2 In addition, WABAG will not approve or be party to payments or gifts if a third party could reasonably perceive that they have been made to win or retain business improperly, or to improperly influence a business decision. If in doubt, the employees should consider whether they would be embarrassed if their colleagues or anyone outside WABAG became aware of what they are proposing to do.

3.3 As well as complying with the specific prohibitions in this Policy, the Employees are required to exercise common sense and judgment in assessing whether any arrangement could be perceived to be corrupt or otherwise inappropriate. Any questions in relation to particular arrangements or payments should be directed to the Chief Growth Officer through the Corporate Office.

4. Gifts and Donations

4.1 No employee shall offer any gifts, favors or entertainment to others that are:

- Not consistent with customary business practice;
- Excessive in value and / or could be construed as a bribe or pay-off;
- In violation of applicable laws or ethical standards;
- Such that public disclosure could embarrass the Company or oneself.

4.2 The Employees should get the prior approval of the Business / Functional Head to incur any expenses towards entertainment.

Business / Functional Heads are responsible to monitor the incurred entertainment expenses patterns of their employees to ensure that the amount is used judiciously.

All expenditure, which does not have the necessary documentation, bills, etc will not be reimbursed. Entertainment expenditure on alcoholic drinks will be permitted only with the specific approval of the Business Head / Functional Head.

4.3 The Employees should not as a principle, accept gifts in kind or cash or enjoy any special privileges from any business associate. Complimentaries / sweets may be accepted only on festive occasions / new year / special anniversaries, if it serves the purpose of maintaining proper and good relationship with WABAG's regular business associates; however, the value of such complimentaries *should not exceed Rs.5000/-*.

Moreover it is preferable that sweets etc, if accepted on festive occasions are received only at the place of work and shared with the colleagues. The Employees should not accept offers to be entertained by an individual or organizations with whom his / her Company transacts business.

Invitations to occasional lunches / dinners hosted by the Company's business associates may be accepted, if it serves the purpose of enhancing the relationship, after informing the immediate superior. It is essential that in the event of an employee accepting complimentaries (up to value specified) or attending an occasional lunch/dinner, there should be no scope for this being construed as having influenced the business judgment of the recipient.

5. Government Agencies:

5.1 These requirements are an extension of the guidelines on gifts and donations set out in section 4 above.
5.2 The Employees should always be truthful and accurate when dealing with the government officials and agencies.
5.3 When doing business with a government agency or with a representative of a government agency, the Company should always maintain detailed records of all transactions. The operating team should be fully aware of the laws relating to the provisions of hospitality, payments or gifts to government officials of the country in which they are operating.

6. Political Non-Alignment (and Charitable Donations):

Political donations

6.1 WABAG shall not make monetary payments or contributions in kind to the political parties, party members or candidates.

Charities and NGOs

6.2 WABAG's policy is that any charitable contributions made on behalf of the Company, must be approved by the Board.
6.3 Any donation to a charity by the Company should not create even the appearance of an impropriety or violation of any applicable laws or regulations.

7. Reporting Concerns:

7.1 The Employees who have any concerns about ethics or potentially improper actions should report using the Whistle Blower Policy. The Whistle Blower Policy provides that:

- Disclosures should be made to the Whistle Blower Committee or the Chairman of the Audit Committee and all disclosures will be appropriately investigated;
- No unfair treatment will be meted out to an Employee who raises concerns under the Whistle Blower Policy. This means the Employee will be supported in providing evidence about his concerns and protected from threats or any abuse of power or other unfair treatment as a result of having raised a good faith concern;
- Any attorney, auditor or consultant working for the Company may report evidence of a material violation of the law, breach of fiduciary duty or any similar violation by the Company or any of its agents to the Company Secretary / Chief Financial Officer / Chief Growth Officer / Managing Director of the Company (or a person acting in an equivalent capacity);
- WABAG's Whistle Blower Policy provides further information on making protected disclosures about suspected misconduct.

8. Monitoring, Review and Training:

8.1 The Board of Directors of WABAG has overall responsibility and oversight for the implementation and monitoring of this Policy. The *Chief Financial Officer* has responsibility for anti-corruption compliance within WABAG.

8.2 The Board may direct the *Chief Financial Officer* to take any such action as it thinks appropriate to review, audit or monitor compliance with this Policy. Additionally, the *Chief Financial Officer will report to the Board of Directors in relation to any modifications that should be made to this Policy to ensure compliance with the applicable legislation*.

8.3 WABAG is committed to training its Employees in relation to anti-corruption issues and its procedures and controls. All Employees will be given access to this Policy. Wherever relevant, appropriate training will be provided to new and existing Employees.

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