



Anti-Bribery and Anti-Corruption (ABAC) Policy

[Effective 01st March, 2023]

Ador Welding Limited

Regd. Office: Ador House, 6, K. Dubash Marg, Fort, Mumbai – 400001-16. Maharashtra, India

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1. Purpose

- 1.1. This policy emphasizes Ador's zero tolerance approach to bribery and corruption. It establishes the principles with respect to applicable Anti-Bribery and Anti-Corruption (ABAC) laws.
- 1.2. The policy provides information and guidance on how to recognize and deal with bribery and corruption issues.
- 1.3. It guides to act professionally, fairly and with utmost integrity in all our business dealings and relationships, wherever we operate.

2. Governance

- 2.1. Compliance Officer shall undertake periodic review and update this policy to reflect applicable law(s) and /or latest notifications released by the regulating authorities from time to time.
- 2.2. Any changes to this Policy shall be tracked and documented for future reference and all changes shall be performed by the Compliance Officer only after prior approval of the Managing Director.
- 2.3. Compliance Officer shall monitor the effectiveness and review the implementation of the compliance principles set forth in this Policy, regularly considering its suitability, adequacy and effectiveness.
- 2.4. Employees & Associates are responsible for the successful implementation of the principles set forth in this policy and should ensure that they use it to disclose any suspected concern or wrongdoing.
- 2.5. Any violation of this policy may have significant consequences, including potential prosecution, fines and other penalties for improper conduct, as well as disciplinary action up to and including termination of the concerned.

3. Scope and applicability

The principles set forth in this policy are applicable to all the Employees & Associates and Business Partners, across Ador Entities. It is, therefore, the responsibility of all Associates and Business Partners to follow and adhere to all elements described in the Policy. In countries where there are more stringent applicable laws, regulations or industry codes, Ador requires compliance with the most restrictive requirement and the principles set out in this Policy shall stand superseded in those specific countries.

4. Policy Framework

4.1. Bribe, Facilitation Payments or Kickbacks

- 4.1.1. Ador prohibits all forms of bribery and corruption, whether involving, but not limited to, Government Official or a private sector person or company, whether directly or indirectly.
- 4.1.2. Ador conducts its business lawfully & ethically and expects everyone associated with it to conduct its business with integrity regardless of the existence of any local customs or traditions, that may question integrity.

4.1.3. No Associate shall ever:

- Directly or indirectly offer or pay, or authorize an offer or payment of money or anything of value to a government official, or any other person or entity (including in the private sector), which is:
 - Intended to influence the judgment of the recipient, in exercising his or her job responsibilities, or
 - Intended to secure preferential treatment or an improper advantage for Ador, or

- Intended as gratification for the recipient, having made a decision or acted in a way that benefited Ador.
- Directly or indirectly request or accept any money or item of value, which is:
- Intended to influence the judgment or conduct of an Employee / Associate in his or her job responsibilities, or
- Intended as gratification for a decision or act in a way that benefits the person or entity giving the item of value.

4.1.4. Ador (or any of its Associates) does not make or accept, Facilitation Payments or Kickbacks of any kind. All Employees / Associates must avoid any activity that may lead to, or suggest that a Facilitation Payment or Kickback will be made or accepted by Ador.

4.1.5. If any Employee / Associate is asked to make a payment on behalf of Ador, he/she should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. Employee / Associate should always ask for a receipt that details the reason for the payment. In case of any suspicion, concern or query regarding a payment, raise these with the Compliance Officer, without delay or hesitation.

4.1.6. Following are few indicative examples of bribe, which any Associate should refrain from exercising:

- Offering a bribe: You offer tickets to a potential client of a major sporting event, but only if they agree to do a business with us.
This would be an offence, as you are making the offer to gain a commercial and contractual advantage. Ador may also be found to have committed an offence because the offer has been made to obtain business for us. It may also be an offence for the potential client to accept our offer.
- Receiving a bribe: An agent gives your nephew a job, but makes it clear that in return they expect you to use your influence in Ador, to ensure we continue to do business through them.
It is an offence for an agent to make such an offer. It would also be an offence for any Employee to accept the offer to gain a personal advantage.

4.1.7. Any "red flags" or potential "red flags" (illustratively as defined in Annexure 1) observed by any Employee / Associate should be notified to the Compliance Officer, as soon as possible. This should cover both actual or suspected conflict with the compliance principles, set forth in this policy.

4.2. Government Officials (GO) and Potentially Influencing Government Officials (PIGO)

4.2.1. It is our responsibility to conduct operations and activities in compliance with applicable Anti-bribery and Anti-Corruption Laws, which prohibit improper / unethical payments to Government Officials. Any payment or benefit conveyed to a GO must be fully transparent, properly documented and accounted for.

4.2.2. Ador imposes special requirements, including determination as to whether a Government Official is a PIGO, and if so, additional evaluation and approvals are required. Additional data may also be needed, when a transaction is proposed with a PIGO that has the ability to influence decisions to purchase any goods of the Company on a national / regional level or the inclusion of any product, within Government sponsored programs.

4.2.3. Examples of decisions made by PIGOs include, but are not limited to:

- approval of product registration or licenses or marketing authorizations,
- approval of pricing or of a product,
- awarding public tenders for government sales or contracts,
- recommendations for any product, to be included in government sponsored programs, and

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- granting licenses or permits required to operate or conduct business (i.e., by regulatory agencies).

4.2.4 Any “red flags” or potential “red flags” (illustratively as defined in Annexure 1) observed by any Associate should be notified to the Compliance Officer, as soon as possible. This should cover both actual or suspected conflict with the compliance principles, set forth in this policy

4.3. Gifts, Hospitality and Entertainment

- 4.3.1. Ador acknowledges that exchange of nominal gifts and sharing of entertainment is customary in many parts of the world during national, cultural and religious occasions.
- 4.3.2. The giving or receipt of gifts by Employees / Associates is not prohibited, if following requirements are met:
- (a) No quid pro quo – There must always be a legitimate business purpose to support gifts related expenses. Customary gifts, meals, entertainment, travel or lodging may never be given or received in return for a favour / favourable treatment or to refrain from doing something disadvantageous to Ador.
 - (b) It complies with all applicable Anti-bribery and Anti-corruption laws;
 - (c) It is given under the brand name of Ador, and not in the name of any Employee / Associate;
 - (d) It does not include cash or a cash equivalent (such as gift coupons or vouchers);
 - (e) Considering, the reason and nature of the gift, it is of an appropriate type & value and given at an appropriate time;
 - (f) It is given openly, not secretly; and
 - (g) Gifts should not be offered to, or accepted from, GO or representatives, or politicians or political parties, without seeking an opinion of the Compliance Officer.
- 4.3.3. The test to be applied is whether in all the circumstances the gifts, hospitality and entertainment is modest, desirable, reasonable, and not viewed as lavish, regardless of actual monetary value and justifiable.
- 4.3.4. Associates cannot accept any gifts in cash or kind, except owing to the customary or religious practices, followed by any third party. Associates need to exercise professional judgment in identifying inappropriate, frequent or material gifts & entertainment and shall avoid the same to maintain integrity and independence.
- 4.3.5. This policy does not intend to prohibit normal and appropriate hospitality (offered and received) to or from third parties, only if Associates or personnel of the third party organisation offering the hospitality are in attendance. Hospitality limited to meals, drinks and other such substances may be offered without prior approval, if it is reasonable and justifiable in all the circumstances, taking into account reason and nature, appropriate type, value, given at an appropriate time and not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits.
- 4.3.6. We recognize that in relation to gifts and hospitality referred to above, what is considered acceptable may vary from country to country and from region to region and what may be normal and acceptable in one country/region may not be in another. In countries where there are specific limits of monetary value prescribed under local law or policies defined, Employees / Associates should obtain prior approval from Chief Financial Officer (CFO) and the business unit head. In countries where there are no specific limits of monetary value prescribed under local laws or policies defined, Associates should obtain prior approval from CFO, the business unit head and the Compliance Officer.

- 4.3.7. In case any Ador Employee / Associate receives or offers a hospitality or gift, it should be declared via a written record for review by the Compliance Officer. The information should be given to the Compliance Officer in the form "Declaration for Gifts, Business Entertainment and Hospitality" appended as Annexure 02 to this Policy

Indicative scenario - A:

Shankar, Ador sales representative, would like to provide the head of business with a gift at the start of Holiday season. What are some of the alternative Shankar should look at?

- a) A gift coupon or card or voucher of Rs. 10,000/-
- b) Bottle of wine so that the client can raise a toast with family
- c) An all paid trip to a hill station for client and her spouse
- d) A personalized digital photo frame with Ador branding

Shankar should consider both, cost as well as appropriateness while choosing the gift. As per Ador policy, gift card is considered cash equivalent and hence must not be provided as a gift. One should also be careful while providing gifts, such as a bottle of champagne, as it may be deemed inappropriate in some cultures. A vacation trip is also violation of Ador's policy and must be avoided.

A personalized digital photo frame with Ador branding, with an appropriate value and corresponding approvals, may be considered in the above scenario.

Indicative scenario - B:

After successful completion of one year of supply, a client has offered Nilesh with VIP tickets to IPL play-offs. The client gets such tickets, as its firm sponsors the game and hence there is no monetary value of the tickets.

Should Nilesh accept the tickets?

Such tickets may not be of monetary value but may still be deemed desirable. Accepting such a gift would amount to violation of Ador policy. Nilesh should politely decline such offer. He should also explain the reasons to the client to make sure that client does not feel offended and client does not make such offers in future.

4.4. Extortion

- 4.4.1. When a payment is extorted by an imminent threat to the safety of an Employee / Associate or his / her family members, the demanded payment may be made. However, once the immediacy of the situation has been resolved, the payment must be reported to the Compliance Officer, including information on the circumstances and amount of the payment. Any such payment always must be accurately and completely recorded in Ador's books of accounts.
- 4.4.2. Ador Personnel will not be in breach of this policy in respect of any payment made for reasons of personal safety & security. Where possible, any such payment should only be made after consultation with Compliance Officer. Where not possible, such payment should be reported subsequently / promptly.

Indicative scenario – C:

Due to political unrest Ador is experiencing a significant delay in the clearance of its product through customs due to no fault of Ador. The delay is beginning to cause serious disruption to Ador's supply chain in the market. During one of your daily follow-up calls with the customs bureau, the customs inspector suggests that he / she could resolve the matter and clear the product within 24 hours if Ador was to provide him / her a small gift as a "hardship cost."

What should you do?

Report the request to the Compliance Officer. A payment, gift or other thing of value to a Government Official to secure or expedite routine non-discretionary governmental action is a facilitation payment. Ador prohibits any Employee from offering or authorizing the offer of a facilitation payment. This request for a facilitation payment must be promptly reported to the Compliance Officer, who will work with you to decline the request.

4.5. Donations

Ador may make charitable donations that are legal and ethical under local laws and practices. No donation will be offered or made without seeking the prior consent of the Managing Director. Employees / Associates may, in their personal capacity, make donations that are legal and ethical, under local laws and practices. It is recommended that all such donations or contributions are documented with a receipt.

4.6. Business Partners

- 4.6.1. We understand that various applicable anti-corruption and anti-bribery laws make Ador Entities responsible for the acts of our Business Partners and others acting on our behalf. Therefore, no Business Partner, acting on behalf of Ador may engage in any act that could be construed as bribery or corruption – whether using Ador funds or their own personal funds or whether acting directly or through a middleman. Ador expects all those acting on our behalf to abide by our standards of ethics and integrity and, where necessary & appropriate, to follow our procedures.
- 4.6.2. While engaging with Business Partners, Associates should ensure that they comply with Ador's Anti-Bribery and Anti-Corruption Policy.
- 4.6.3. If any Employee / Associate becomes aware that Business Partner is engaged in bribery or corruption, that Employee / Associate should immediately report his / her concern through our "Whistle-Blower Policy".

5. Books, Records and Internal Controls

- 5.1. Ador is required to keep accurate books & records and to maintain internal controls to prevent & detect potential violations of its policies or of applicable laws. Internal controls are processes that monitor compliance with the company's policies. Ador has appropriate controls to ensure that diligence is conducted, transactions are properly approved, documentation received to support expenses, and interactions handled, as required by its policies. Ador shall also use proactive reviews, audits and internal investigations to further monitor compliance and to identify any potential areas to enhance.
- 5.2. All Employees / Associates must ensure that all payments and transactions of the Ador Entities, regardless of value, are recorded accurately with appropriate documentation. For example, in connection with every transaction, you must ensure that all required pre-approval forms, questionnaires, self- assessments, agreements with Business Partners and expense reports, with supporting documents, are maintained & recorded properly. These requirements also apply to every expense regulated by this policy, such as Gifts, meals, travel or other permitted expense.

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- 5.3. Always err on the side of including more information about a transaction or an expense, rather than less. The goal is to ensure that the Ador Entities' book, record and account accurately & fairly reflect its transactions in reasonable details. Transparency and completeness in its records help demonstrate its compliance with this policy and with applicable laws & regulations. For example, submitting an expense voucher for a meal and failing to note that Government Officials attended the meal, may be viewed as creating an inaccurate corporate record. Creating a paper trail through emails or other documents after an expense was incurred to give the appearance that the expense was pre-approved also may be viewed as creating an inaccurate corporate record or falsifying documents.
- 5.4. If any Employee / Associate realizes that he / she mistakenly failed to provide complete information about a transaction or expense, he/she must escalate it to his/her Supervisor immediately. Trying to hide this mistake or falsifying of records should be avoided by Employees /Associates. It is best to be open and honest about the issue and work transparently with a Supervisor, in trying to correct it properly in Ador's books and records. If an Associate becomes aware that Ador's books & records do not accurately reflect a transaction or expense, Associate must report this issue immediately.
- 5.5. Records and documents generated in connection with the principles set forth in this policy, including, but not limited to, any diligence files and contracting documents, must be maintained and stored for the period specified in the "Preservation of documents policy".

6. Raising a concern and Protection

- 6.1. All Ador Employees / Associates are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If they are unsure whether a particular act constitutes bribery or corruption, or if they have any other queries, these should be raised with the Compliance Officer. Concerns should be reported through our "Whistle-Blower" policy.
- 6.2. An Employee / Associate, who refuses to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. Ador aims to encourage openness and will support anyone, who raises genuine concerns in good faith, under this policy, even if they turn out to be mistaken.
- 6.3. Ador Entities will ensure that no one will suffer any detrimental treatment, as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If any Associate believes that he or she has suffered any such treatment, he or she should inform the Compliance Officer immediately. If the matter is not remedied then Associate should raise it formally to the Compliance Officer and or Human Resource Head.

7. Exception(s)

All exceptions to this policy must be approved by the Managing Director.

8. Glossary

| Terms | Definition |
|---|--|
| Associates | Associates stand as a collective term for all individuals working at all the levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, service providers, casual workers and agency staff, agents, or any other person associated with the Ador Entities or their Associates, wherever located. |
| Business Partner | Business Partner is a collective term used for consultants, vendors, contractors, agents, intermediaries, with whom Ador Entities enter into contract(s). |
| Ador Entities | Ador Entities stand as a collective term for AWL and all its subsidiaries, if any. |
| Bribery | "Bribery" means the offering, promising, giving, receiving, soliciting or accepting a financial or other advantage, or any other thing of value, with the intention of influencing or rewarding the behaviour of a person in a position of trust to perform a public, commercial or legal function, to obtain or retain a commercial advantage. Bribery includes any attempt to do any of the foregoing as well. Bribes are payments made in the form of money or anything else of value, in return for a business or Personal favour or advantage. |
| Government Officials | Government Official means any of the following: (i) Official (elected or appointed) or Associate of a federal, national, state, provincial, local, or municipal government (or federal) or any department, agency, or subdivision thereof; (ii) Officer or Associate of an organization; (iii) Officer or Associate of a public international organization (e.g., UN, World Bank, EU, WTO, NATO); (iv) Individual acting for or representing federal or any of the Organizations referred to above, even if he/she may not be an Associate of such federal or organization; (v) Individual who is considered to be a Government Official under applicable local law. (vi) Candidate for / of political office; (ix) Official of a political party; and (x) Family member of any of the Government Officials, described in this definition. |
| Facilitation Payments | Facilitation payments are unofficial payments made to secure or expedite a routine government action by a government official. |
| Kickbacks | Kickbacks are typically payments made in return for a business favour or advantage. |
| Potentially Influencing Government Official ("PIGO") | A Potentially Influencing Government Official ("PIGO") is an individual, who is either: a) connected to a Key Decision Making Entity ("KDME"), as a member of its management or governance body, as an Associate, or as a consultant, or b) in a position where he or she could make a decision that will significantly impact Ador's business. |

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9. Abbreviations

| Acronym | Full form |
|---------|---|
| FCPA | Foreign Corrupt Practices Act |
| GOs | Government Officials |
| KDMEs | Key Decision Making Entities |
| PIGO | Potentially Influencing Government Official |

10. References

| Sr. No. | Reference | Document / Link |
|---------|--|---|
| 1 | India's Prevention of Corruption Act, 1988 Guide | https://www.indiacode.nic.in/bitstream/123456789/1558/1/A1988-49.pdf |

11. Annexures:

Annexure-01: Potential risk scenarios: “red flags”

The following is a list of possible red flags that may arise during the course of employment or association of Associates or Business Partners with Ador and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If any Associate or Business Partner encounters any of these red flags, while working with Ador Entities, they must report them promptly using the procedure set out in our “Whistle Blower Policy”:

- a) You become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- b) You learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a “special relationship” with government officials;
- c) A third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- d) A third-party requests payment in cash and/or refuses to sign a formal commission or agreement, or to provide an invoice or receipt for a payment made;
- e) A third-party requests that payment is made to a country or geographic location, different from where the third party resides or conducts business;
- f) A third-party request an unexpected additional fee or commission to “facilitate” a service;
- g) A third party demands lavish entertainment or gifts, before commencing or continuing contractual negotiation or provision of services
- h) A third-party request that a payment is made to “overlook” potential legal violations;
- i) A third-party request that you provide employment or some other advantage to a friend or relative;
- j) You receive an invoice from a third party that appears to be non-standard or customized or fake;
- k) A third party insists on the use of side letters or refuses to put the terms agreed in writing;
- l) You notice that we have been invoiced for a commission or fee payment that appears large, given the service stated to have been provided;
- m) A third-party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
- n) You are offered an unusually generous gift or offered lavish hospitality by a third party;
- o) A foreign government official suggests a contribution should be made to his favourite charitable organisation and in return he would be able to influence the decision-making process for licence approvals;

Annexure -02: Declaration for Gifts, Business Entertainment and Hospitality

I understand that if I have been offered any gift, entertainment or hospitality or if I am offering any entertainment or hospitality by/to a business partner or any other entity doing or seeking to do business with Ador, it is my obligation to make this declaration.

Whether the gift is being Offered Receive

Brief Description of Gift / Hospitality _____

Date on which the gift was given / is planned to be exchanged. _____

Name of the person and organisation with whom the gift / hospitality is exchanged _____

Business relations (or potential relationship) of the person / organisation with Ador _____

Purpose for which the gift/hospitality was exchanged _____

I further declare that, to the best of my knowledge, these gifts or services have a value of approx. _____
[insert amount in figures, words and mention the currency of payment]

Additional details of the Gift, Entertainment or Hospitality services are as follows,

The above details include the business justification for the gift/hospitality, the current location of the gift (in case of gifts received) and any other information, Ador may require to make an assessment.

I have attached with this declaration some supporting documentation for

1. The value of the gift / hospitality.
2. The purpose for which the gift or hospitality is exchanged
3. Business justification of the gift or hospitality services
4. Any other relevant documentation that Ador may require to make an assessment on this matter.

I acknowledge that the information provided by me is true to the best of my knowledge.

Name: _____ Employee ID: _____

Department: _____ Designation: _____

Signature: _____

Place: _____

Date: _____

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