

## ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

### **Purpose of the policy**

Capillary technologies is committed to maintain the highest level of professional and ethical standards in the conduct of business in India and around the world. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships, wherever we operate, and to implementing and enforcing effective systems to counter bribery. This policy prohibits from engaging in any bribery or potential bribery. This includes a prohibition against both direct bribery and indirect bribery, including payments through third parties. If any associate suspects or become aware of any potential bribery involving the company, it is the duty of that associate to report their suspicion or awareness to the Company's CFO at [secreatarial@capillarytech.com](mailto:secreatarial@capillarytech.com)

Bribery is a serious criminal offence in India and other countries. Bribery offences can result in the imposition of severe fines and/or custodial sentences (imprisonment), exclusion from tendering for public contracts, and severe reputational damage. We therefore take our legal responsibilities very seriously. We will uphold all laws relevant to countering bribery and corruption.

The Policy provides necessary information and guidance on how to recognize and deal with bribery and corruption issues. The purpose of this Policy is to outline guiding principles and adequate procedures to prevent any activity or conduct relating to bribery or corruption and to ensure compliance with all applicable anti-bribery and anti-corruption laws.

The Company will undertake a periodic bribery and corruption risk assessment across its business to understand the bribery and corruption risks it faces and ensure that it has adequate procedures in place to address those risks. The risk assessment will be documented and periodically reviewed, and the appropriate committee of the Board of Directors of the Company be updated on a half yearly basis in accordance with applicable regulations. It requires all directors and employees to understand, adhere to and comply with the provisions of this policy and standards laid down hereunder in their day to day functioning.

### **Scope and Applicability**

This policy applies to all dealings, transactions and expenses for and on behalf of Capillary Technologies India Limited (hereinafter referred as the "company"). It applies to all stakeholders working for or acting on behalf of company or any of its subsidiaries, such as senior managers, officers, directors, employees (whether regular, fixed-term or temporary), consultants, contractors, trainees, seconded staff, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other third parties associated with us, or any of our subsidiaries or their employees, across all locations.



In this policy, third party means any individual or organisation that an associate may come into contact with during the course of his/her engagement with the company, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, business associates and government and public bodies including their advisors, representatives and officials, politicians and political parties.

### **Definitions**

**“Corrupt Practice”** means offering, giving or promising to give, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.

Corrupt practices are understood as kickbacks and bribery. The conduct in question must involve the use of improper means (such as bribery or promise to give something in return for a favour) to violate or derogate a duty owed by the recipient to obtain an undue advantage or to avoid an obligation. Antitrust, securities and other violations of law that are not of this nature are excluded from the definition of corrupt practices.

**Bribery-** means to obtain or accept or attempt to obtain or promise for giving, receiving, soliciting or accepting of financial or other advantages, or any other thing of value, to influence or reward the behaviour of a person who is in a position of trust to perform a public, commercial or legal function to retain or obtain a commercial advantage. Bribes are payments made in the form of money or anything else of value in return for a business favour or advantage.

**Corruption-** includes wrongdoing on the part of an authority, a commercial organisation, or any person associated with such commercial organisation or those in power, through means that are illegitimate, immoral, or incompatible with ethical standards. It is usually designed to obtain financial benefits or other personal gain and is associated with bribery.

**Facilitation Payment-** are unofficial payments made to secure or expedite a routine action by authorized official.

**Kickbacks-** are payments made in return of business favour/advantage.

**Public official** - means any officer or employee or anyone acting in an official capacity on behalf of a government or any department or agency thereof.

**Employee-** means any employee or director of Capillary technologies India Limited or its subsidiaries.

**Gifts-** means any item of considerable value, given to/received from a party that has business dealings with the organization.



It is **not** acceptable to

- a) give, promise to give, or offer, a payment, gift or hospitality to secure or award an improper business advantage;
- b) give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to facilitate, expedite, or reward any action or procedure;
- c) accept payment from a third party knowing or suspecting it is offered with the expectation that it will obtain a business advantage for them;
- d) induce another individual or associate to indulge in any of the acts prohibited in this policy;
- e) threaten or retaliate against another associate who has refused to commit a bribery offence who has raised concerns under this policy;
- f) give or accept any gift where such gift is or could reasonably be perceived to be a contravention of this policy and / or applicable law; or
- g) engage in any activity that might lead to a breach of this policy.

**Policy owner**

The Company's Compliance Department, led by the Head - Compliance/ Company Secretary shall be designated as Chief Vigilance officer responsible for maintaining and implementing this Policy. The Compliance Officer shall have access to the chairman of audit committee, and shall regularly provide reports to the Audit Committee about the status of the Company's anti-corruption compliance efforts.

**Procedure**

**a. How to raise a concern? -**

Every person to whom this policy applies, is encouraged to raise their concern regarding violation of provision of this document in respect to Anti bribery or Anti-corruption to CVO (Chief Vigilance officer) at [secretarial@capillarytech.com](mailto:secretarial@capillarytech.com)

Alternatively such concern may also raise by Whistle Blower Mechanism.



**b. What actions to be taken if one himself is a victim of bribery and corruption?**

It is his/her responsibility to report to manager or CVO via whistle blower mechanism if he/ she asked to make any bribe or any act of corruption or unlawful activities.

Such person shall refuse to be part of any such unlawful transaction , and shall also communicate the company’s zero tolerance policy for Anti corruption with such third party. It shall be cleared that any refusal is final and non negotiable.

**c. Protection of Identity**

Company 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 CVO.

Policy encourages openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken

**d. Maintaining Accurate books and records**

Company mandates all stakeholders to prepare maintain accurate books and records for all transactions including cash and bank accounts and maintain a system of internal control with adequate documentation to avoid any non-compliance.

**Gifts and Hospitality**

In the context of conduct between private parties the offering, giving, receiving or soliciting of corporate hospitality and gifts that are customary industry standards and shall not constitute corrupt practices unless the action violates Applicable Laws.

This policy does not prohibit normal business hospitality, so long as it is reasonable, appropriate, modest, and bona fide corporate hospitality, and if its purpose is to improve our company image, present our products and services, or establish cordial relations.

1. The Gift/Hospitality must not be intended to improperly influence and gain undue advantage from the Receiver of the Gift. It should be given with a good intention only during the time of festival and the same has been approved by the Management.
2. The Gift/Hospitality must not have the appearance of improper influence. Gifts can in some cases influence, or appear to influence, decision-making, for example by persuading the recipient to favor the person who made the gift over his own employer. Associates should think very carefully before making, or receiving, gifts. Gifts can occasionally be offered to celebrate special occasions (for example religious holidays or festivals or the birth of a child) provided such gifts are approved by the Management.



3. Certain gifts are always prohibited. Some types of gifts are never acceptable including gifts that are illegal or unethical, or involve cash or cash equivalent (e.g. loans, stock options, etc.).
4. The Gift/ Hospitality should be modest promotional gifts are permitted. For ex: - Company Diary, Company branded Pen
5. In order to avoid this policy, the Associates cannot pay for the Gift/ Hospitality from their pockets.

In some cultures/ countries, it may be seen as an insult to reject a gift, and refusals may adversely affect business relationships. In these circumstances, and if the gift is anything other than moderate, the gift should be reported to the reporting manager who will decide whether such gift will be retained or returned. If your reporting manager is uncertain how to treat the gift, s/he should seek clarification from his/her relevant Human Resource (HR) contact.

### **WILFULL BLINDNESS**

If an employee willfully ignores or turns a blind eye to any evidence of corruption or bribery within his / her department and/or around him / her, it will also be taken against the employee. Although such conduct may be “passive”, i.e. the employee may not have directly participated in or may not have directly benefited from the corruption or bribery concerned, the willful blindness to the same can, depending upon the circumstances, carry the same disciplinary action as an intentional act.

### **FACILITATION PAYMENTS AND KICKBACKS**

The Company prohibits making or accepting, facilitation payments or "kickbacks" of any kind. All associates must avoid any activity that might lead to a facilitation payment or kickback being made or accepted. If you are asked to make a payment on behalf of the Company, you must consider the purpose of the payment and whether the amount requested is proportionate to the goods or services provided. Any request for a facilitation payment should be refused unless you feel you are at risk of injury, of detention, or for your life, if you refuse. If one of these exceptions applies, a receipt should be obtained and the matter reported, as soon as possible, to the CFO at [secretarial@capillarytech.com](mailto:secretarial@capillarytech.com).

### **DONATIONS**

The Company may make donations but only if they are ethical and in compliance with this policy and compliant with the local applicable laws. No donation should be made which may, or may be perceived to breach applicable law, or any other section of this policy. All donations must be approved by the Company's Management and records of the same shall be maintained.



## **RESPONSIBILITIES OF ASSOCIATES**

Associates must ensure that they have read and understood this policy and, must at all times comply with the terms and conditions of this policy. Prevention, detection and reporting of corruption are the responsibility of all those who are associated with the Company.

Managers at all levels are responsible for ensuring that those reporting to them are made aware of and understand this Policy, undertake training on how to implement and adhere to it and also monitor compliance of it.

Please note that a failure to report an actual or suspected breach of this policy is itself a breach of this policy. Any associate who breaches any of the terms of this policy will face disciplinary action, which could result in dismissal for gross misconduct. The Company reserves its right to terminate a contractual Public relationship with other associates and other associated persons, as the case may be if they breach any of the terms and conditions of this policy.

## **BREACH OF POLICY**

The breach of this policy by the designated persons of company may lead to disciplinary action being taken in accordance with the company's Disciplinary Procedure. Serious breaches may be regarded as gross misconduct and can lead to immediate dismissal.

All designated persons will be expected to co-operate to the fullest extent possible in any investigation into suspected breaches of this policy or any related processes or procedures.

If any part of this policy is unclear, clarification should be sought from the Vigilance and Ethics Officer who is responsible for this policy.

If necessary, corrective actions shall be prescribed or suggested to appropriate managers, officers and employees for implementation.

## **TRAINING AND COMMUNICATION OF POLICY**

The policy shall be displayed through intranet portal of company. Any changes in the policy shall be notified through Intranet portal through updated policy document. Company shall arrange periodic training program for users of the policy.

## **MONITORING AND REPORTING**

Our board of directors will monitor the effectiveness and review the implementation of this policy, considering its suitability, adequacy and effectiveness.

The Officer shall assess the effectiveness of the policy on trainings conducted, issues and complaints received during the year, remediation measures taken in the matter etc. on an annual basis.



## **POTENTIAL RISK SCENARIOS -CONCERNS**

Below is the list of possible concerns that may arise during the course of business. The list is not intended to be exhaustive and is for illustrative purposes only. Any associate who comes across the following should report the same immediately as per this policy.

- (a) Being aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b) Learning that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having "Special relationship" with foreign 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 fee agreement, or to provide an invoice or receipt for a payment made;
- (e) A third-party request 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 negotiations 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
- (k) A third party insists on the use of side letters or refuses to put terms agreed in writing;
- (l) You observe that the Company has been invoiced for a commission or fee payment that appears large compared to 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 the Company; and/or
- (n) You are offered an unusually generous gift or lavish hospitality by a third party.

## **WAIVER AND AMENDMENT OF POLICY**

We are committed to continuously reviewing and updating our policies and procedures based on the learning. The Compliance/ HR team will monitor the effectiveness and review the implementation of this Policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Therefore, this document is subject to modification. Any amendment or waiver of any provision of this Policy must be approved in writing by the Company's Board of Directors. The Policy will be reviewed and audited from time to time which requires cooperation from all concerned.

