

# FACOR STEELS LIMITED



---

## ANTI-CORRUPTION COMPLIANCE MANUAL

### TABLE OF CONTENTS

I	INTRODUCTION.....	Pg no. 2
II	DEFINITION.....	Pg no. 3
III	POLICY.....	Pg no. 4 to 6
IV	COMPLIANCE.....	Pg no. 7

## D) **INTRODUCTION:**

The purpose of this manual is to:

- set out FSL's policy against making improper payments or inducements, and
- provide basic guidance to all FSL employees including Directors and contractual representatives wherever located, with regard to anti-bribery laws of the land where they are doing business or intend to do business

At FSL our code of conduct applies equally to all our business transactions through out the country and abroad and to the individual behavior of employees and agents in conducting FSL's business. FSL insists that each of its business operations transact business fairly and with integrity. Accordingly bribery and any other unethical business practices are prohibited. Bribery not only violates our code of conduct it also violates the law of our country. Throughout the world, the laws of various countries prohibit bribery of government officials, bribery of foreign government officials and bribery of customers or other business relations. Bribery of customers or business partners, even where the actual payments are carried out by a third party such as an agent or distributor, is prohibited.

## II DEFINITION:

**1) FSL:** shall mean Facor Steels Limited a listed public limited company incorporated under the provisions of Companies Act, 1956 in the state of Maharashtra, India.

**2) Bribe:** is anything that has a value and is given to influence a decision to do business with FSL or to give FSL an unfair advantage. Bribes do not just involve cash payments. Lavish gifts, improper campaign contributions, scholarships, luxury goods, tickets to sporting events, and jewelry or gems have all been found to be bribes. An important aspect of the definition of “bribe” is the purpose of the payment. Anticorruption laws prohibit paying anything of value to bring in business, keep existing business, or obtain an improper advantage. This also includes obtaining licenses or regulatory approvals, preventing negative government actions, reducing taxes, avoiding duties or customs fees, or blocking a competitor from bidding on business.

**3) Corruption:** shall mean an act done with intent to give some advantage inconsistent with official duty and the rights of others. It includes bribery, but is more comprehensive; because an act may be corruptly done, though the advantage to be derived from it be not offered by another.

**4) Employee:** shall mean a person employed by FSL, to perform any clerical, manual, managerial, supervisory, technical, non-technical, skilled or unskilled work or task assigned by the management of the Company and includes a person engaged in any capacity and for the time being on rolls of the Company, whether temporary or permanent, and shall include any person employed through a contractor.

**5) Director:** shall mean a person appointed as a member of the Board of Directors of the Company.

**6) Officer:** shall mean a person appointed in the capacity of officer of FSL

### III) POLICY:

All FSL employees are expected to conduct company business in a legal and ethical manner. They should not use illegal payments, bribes, kickbacks or other questionable inducements to influence government policy or any business transaction. The use of FSL's funds or assets for any unlawful, improper or unethical purpose is prohibited. In the conduct of business, all employees must avoid making payments that may be or may be perceived to be improper. Specifically, FSL prohibits bribery by any of its employees or agents.

This policy extends to all of the company's domestic and foreign operations, without exception, including operations conducted by any of FSL's departments, subsidiaries, affiliates, agents, distributors, consultants or other representatives and to the operations of any joint venture in which the FSL is a participant. An electronic version of this manual, is available at the website of FSL i.e. [www.facorsteel.com](http://www.facorsteel.com). Neither this manual nor local compliance training will provide definitive answers to all questions regarding anti-bribery legislation. The aim of this manual is to provide employees with the basic knowledge they need to identify potential bribery issues. Accordingly, if you have any doubts as to the scope of applicable laws or if you need more specific information, you should contact Legal & Secretarial Department immediately.

The policy of FSL is to comply with all governmental laws, rules, and regulations applicable to its business. Even where the law is permissive, FSL chooses the course of highest integrity. Local customs, traditions, and modes differ from place to place, and this must be recognized. But honesty is not subject to criticism in any culture. Shades of dishonesty simply invite demoralizing and reprehensible judgments. A well founded reputation for scrupulous dealing is itself a priceless corporate asset.

FSL cares how results are obtained, not just that they are obtained. Directors, officers, and employees should deal fairly with each other and with the company's suppliers, customers, competitors, and other third parties. The Company expects compliance with

its standard of integrity throughout the organization and will not tolerate employees who achieve results at the cost of violation of law or who deal unscrupulously. The Company's directors and officers support, and expect the Company's employees to support, any employee who passes up an opportunity or advantage that would sacrifice ethical standards. It is the Company's policy that all transactions will be accurately reflected in its books and records. This, of course, means that falsification of books and records and the creation or maintenance of any off-the-record bank accounts are strictly prohibited. Employees are expected to record all transactions accurately in the Company's books and records, and to be honest and forthcoming with the Company's internal and independent auditors.

The Company expects candor from employees at all levels and adherence to its policies and internal controls. The Company's system of management will not work without honesty, including honest bookkeeping, honest budget proposals, and honest economic evaluation of projects.

It is the Company's policy to make full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with the regulatory authorities. All employees are responsible for reporting material information known to them to higher management so that the information will be available to senior executives responsible for making disclosure decisions.

It is the policy of FSL to base commercial decisions on commercial criteria. That policy serves the Company's business interests and fosters constructive relationships with organizations and individuals doing business, or seeking to do business, with the Company. In many cultures, those constructive relationships may include incidental business gifts and entertainment. Directors, officers, and employees providing or receiving third-party gifts and entertainment in their corporate capacities are expected to exercise good judgment in each case, taking into account pertinent circumstances, including the character of the gift or entertainment; its purpose; its appearance; the positions of the persons providing and receiving the gift or entertainment; the business

context; reciprocity; and applicable laws and social norms. All expenditures for gifts and entertainment provided by the Company must be accurately recorded in the books and records of the Company.

It is the policy of FSL to refrain from making contributions to political candidates and political parties, except as permitted by applicable laws and authorized by the Board of Directors. It is the Company's policy to communicate information and views on issues of public concern that have an important impact on the Company. The Company considers that registering and voting, contributing financially to the party or candidate of one's choice, keeping informed on political matters, serving in civic bodies, and campaigning and office holding at local, state, and national levels are important rights and responsibilities of the citizens of a democracy.

Directors, officers, and employees engaging in political activities are expected to do so as private citizens and not as representatives of the Company. Personal, lawful, political contributions and decisions not to make contributions will not influence compensation, job security, or opportunities for advancement.

It is the policy of FSL to comply with all governmental laws, rules, and regulations applicable to its operations outside India and to conduct those operations to the highest ethical standards. Laws that apply to operations outside India include those of the countries where the operations occur. Accordingly, directors, officers, and employees of the Company who are involved with the Company's operations outside India should consult with the Legal & Secretarial Department for advice on applicable laws of the country and are expected to comply with those laws.

#### **IV) COMPLIANCE:**

It is mandatory for all the Directors, Officers and employees of FSL to comply with this manual. It is the responsibility of each and every person associated with FSL in the capacity of Director, officer, employee or under any contractual service to read and understand this Manual. Anyone who violates the standards in this Manual will be subject to appropriate disciplinary action, including termination of his or her relationship with FSL. He or she could also be subject to criminal prosecution by governmental authorities. A lack of understanding of this Manual will not be an excuse for violating it. Questions about this Manual or any anti-corruption laws related matters can be clarified from the Legal & Secretarial Department for any advice or guidance that may be needed.