

**ANTI-BRIBERY AND ANTI-CORRUPTION POLICY GOVERNING CONDUCT
OF FABINDIA LIMITED AND ITS INDIAN SUBSIDIARIES**

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Version	Prepared By	Electronically Reviewed By	Electronically Approved By
II	Head – Legal and Compliance, FABINDIA LIMITED	Company Secretary and Chief Financial Officer and Chief Operating Officer, FABINDIA LIMITED	Managing Director

I. PURPOSE:

This anti-bribery and anti-corruption policy (“**Policy**”) sets forth the commitment to ensure that Fabindia Limited (“**Company**”) and its subsidiaries incorporated in India (“**Subsidiaries**”) abide by the principles and objectives of all laws relevant to countering Bribery and corruption, as applicable to the Company and its Subsidiaries in the conduct of their business across all the jurisdictions in which they operate, including the Indian Prevention of Corruption Act, 1988 (“**PCA**”), the Indian Penal Code, 1860 (“**IPC**”) and the Prevention of Money Laundering, 2002 and any re-enactment, amendment or modification thereto and any other similar enactments applicable to the Company and its Subsidiaries from time to time (collectively referred to as the “**Anti-Corruption Laws**”), by prohibiting corrupt and other improper activities by the Company or its Subsidiaries in the conduct of their business. The Company and its Subsidiaries shall abide by both the letter and the underlying spirit of the Anti Corruption Laws and this Policy.

Different countries may have different laws on Bribery and corruption and, therefore, the foreign subsidiaries of the Company may adopt policies which are relevant to the jurisdictions in which they operate and as advised and recommended by their respective boards.

This Policy emphasizes Company’s zero tolerance towards corruption and provides necessary information and guidance on how to recognize and deal with corruption issues. The purpose of this Policy is to establish clear rules to ensure compliance with Anti-Corruption Laws.

This Policy will continually evolve as new legislations, practices and common law precedence emerge and shall continue to be updated by the Company from time to time and communicated to all employees for compliance.

The Policy will come into effect from *the date when its adopted* by a resolution of the Board of Directors in January 2022.

II. **SCOPE:**

This Policy applies to all directors, employees, consultants, interns, part time employee equivalents and all other individuals in its workforce (irrespective of the nature of their contract of engagement with the Company), of the Company and its Subsidiaries (collectively referred to as the Company), and to all third parties who conduct business for or on behalf of the Company and its Subsidiaries.

Non-compliance with Anti-Corruption Laws is a serious criminal and civil offence and can result in the imposition of heavy fines and/ or criminal prosecution and severe reputational damage to the Company and its Subsidiaries. Hence, all directors, officers and employees of the Company and its Subsidiaries, and to all third parties who conduct business for or on behalf of the Company and its Subsidiaries are required to fully comply with the requirements of the Anti-Corruption Laws and this Policy.

This Policy sets out the minimum standard that must be followed by the Company and its Subsidiaries at all times and where any local law is stricter than this Policy, such local law shall take precedence over this Policy.

III. **STATEMENT OF POLICY:**

Unless otherwise expressly permitted by or approved in writing under this Policy, the Anti Corruption Laws and the attached implementing the procedures as set out herein (collectively, referred to as the “**Procedures**”), no director, officer, employee or an affiliate of the Company and/or its Subsidiaries, or a third party acting for or on behalf of the Company and/or its Subsidiaries shall make or authorise any Person to make any offering, giving, receiving, or soliciting, directly or indirectly, any Bribe, money, Gifts, gratifications or any other thing of value, while conducting business for or on behalf of Company or its Subsidiaries that will amount to violation of the Anti Corruption Laws. Payments or the

provision of Bribe and/ or Gifts made directly or indirectly through a third party (such as agents, consultants, sales representatives, distributors, and subcontractors) are also prohibited. No payment or promise to pay will be offered or given to any Government Official or political party, including through a Third-Party Representative, for the purposes of inducing or influencing a Government Official or political party to do or refrain from doing any official act, in order to assist the Company in obtaining or retaining business or directing business to any Person, or securing any improper advantage.

This Policy governs interactions with Government Officials. Under this Policy, the term “**Government Official**” shall include any ‘public servant’ as defined under the PCA, including *inter alia* the following:

- a. any officer, employee, or other Person acting in an official capacity on behalf of a government or any department, agency, or instrumentality thereof;
- b. any officer or employee of a company or business majority owned or controlled by a government or any department, agency, or instrumentality thereof, including, but not limited to, any not-for-profit organizations;
- c. any officer or employee of a public international organization, such as the World Bank or the United Nations;
- d. any political party or any official thereof;
- e. any individual acting in an official capacity for or on behalf of a government or any of the organizations referred to under (a) through (d) above;
- f. any individual who is considered a Government Official under applicable local law; and
- g. any candidate for political office.

For the avoidance of doubt, the term includes elected officials, civil servants, and military personnel. The term also includes the children, spouse, siblings or parents of a Government Official. The provision of benefits, which are illegal under applicable laws, to private sector customers is also prohibited.

IV. GIFTS, HOSPITALITY AND ENTERTAINMENT

No Gifts, including cash gifts, hospitality or entertainment may be offered or provided in exchange for any favour (or promise of any favour) for or benefit to the Company and its Subsidiaries under any circumstances to any Government Official or any Person.

However, the Company and its Subsidiaries acknowledge that offering of nominal Gifts or souvenirs by way of products of the company's brand/s of a value not exceeding INR 1000 (one thousand Indian rupees) is permitted subject to instances of such gifting being infrequent and the same being appropriately documented in the Company's records. In any case, such Gifts shall never be in the form of Cash or Cash equivalents (e.g. gift vouchers, discount coupons). All such instances and offers should be immediately reported to the Head – Legal & Compliance of the Company. All Persons need to exercise sound judgment in identifying inappropriate, frequent or any other material Gifts barring what is permitted hereinabove and shall avoid the same to maintain integrity and independence.

Reasonable and appropriate hospitality is not prohibited to entertain people both inside and outside the Company subject to the provisions of this Policy. In any case, such hospitality shall be reasonable and justifiable in all circumstances, considering reason and nature, appropriate type, value, given at an appropriate time and not made with the intention of influencing or 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.

For avoidance of doubt, the giving of Gifts by a Person is not prohibited, if:

- a. It complies with this Policy with special focus to this clause and applicable Anti-Corruption Laws;
- b. There is a legitimate business purpose to support gifts related expenses and are not given or received in return for a favour/ favourable treatment or to refrain from doing something disadvantageous to the Company and its Subsidiaries;
- c. Gifts are not offered to or accepted from politicians or political parties or Government Officials.

The Company expressly prohibits its employees and associates from accepting any gifts from any one, either in cash or kind from anyone outside the Company. As regards gifts from within the company, gifts for special occasions like birthdays, workanniversaries, retirement, point of cessation of services are permitted. Celebratory outings and meals are also permitted subject to adherence to provisions of this Policy.

V. CHARITABLE DONATIONS

The Company and its Subsidiaries may make charitable donations that are legal and ethical under Anti-Corruption Laws. The Company and its Subsidiaries shall ensure that the charity or asupport is for a legitimate cause, and that donations are not being used as a channel for any corruption.

VI. ILLUSTRATIVE LIST

Illustrative list of acts / practices that are restricted / prohibited under this Policy shall include but not be limited to:

- a. Dishonest misappropriation of property/ money, criminal breach of trust and cheating, as defined under the IPC;
- b. Receiving or giving Bribe;
- c. Acceptance of Gifts and giving of Gifts over and above the extent and the manner as allowed by way of clause no IV of this Policy;

- d. Gifts on behalf of the Company and its Subsidiaries in the form of Cash or kind, in any currency except as allowed in clause no IV hereinabove;
- e. Charity or sponsorship in order to obtain commercial advantages;
- f. Participation/ contribution in/ to political activities;
- g. Payment of any costs for Government Officials and their relatives (or in their interests);
- h. Any other unethical act or omission; and
- i. To use partners, agents, joint ventures, intermediaries, or other persons for any actions that are contrary to the principles and requirements of the Policy or the Anti-Corruption Laws.

VII. THIRD PARTIES REPRESENTATIVES:

1. Before entering into an agreement with a third party that will act on behalf of the Company or its Subsidiaries or otherwise to represent them before or with regard to a government entity or Government Official ("**Third-Party Representatives**"), the Company and/or its Subsidiaries shall make best efforts to ensure that Third-Party Representatives agree to abide by the Anti Corruption Laws, irrespective of whether those parties are subject to it, and the Policy governing conduct of the Company and its Subsidiaries.
2. The Company and its Subsidiaries shall notify Third-Party Representatives not to and shall instruct them that they shall not, while dealing on behalf of the Company and/or the Subsidiaries make any offer, payment, promise to pay or authorise the payment of any money, or other property, Gift, promise to give, or authorization of the giving of anything of value to any Government Official or to any other Person who was or is in a position to help or hinder the business of the Company, its Subsidiaries and their affiliates (i) with the

intent or purpose of influencing such Government Official or other Person in his official capacity, inducing such Government Official to do or omit to do any act in violation of the lawful duty of such official, or securing any improper advantage; (ii) inducing such Government Official to use his influence with a government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality; (iii) that would cause the Company, the Subsidiaries and/or their affiliates and their respective directors, officers and key employees to violate or be in violation of any applicable law (including without limitation the Anti Corruption Laws), in relation to such conduct, or subject them to damages or penalties in a civil or criminal proceeding; or (iv) that could reasonably be expected to have a material adverse effect if not continued.

3. In furtherance of the above, the Company and the Subsidiaries shall make best efforts to enter into written agreements with Third-Party Representatives, wherever possible and practicable, which contract shall require compliance with all applicable laws as well as the Anti Corruption Laws (“**Third-Party Representative Contract(s)**”). In the event the Third-Party Representative acts in breach of any such applicable law in dealings with the Company or its matters, the Company may take recourse to any remedy it may have under the relevant Third-Party Representative Contract.

VIII. COMPLIANCE AND PENALTIES:

Management and the Legal Department of the Company and its Subsidiaries are responsible for compliance with and implementation of this Policy and Procedures. Failure to comply with this Policy which results in securing any improper advantage to the business, will entitle the Company to initiate disciplinary action against the concerned person, as may be deemed fit by the Company. In addition, employees of the Company or its Subsidiaries, violating any provisions of the Anti Corruption Laws may be terminated from services. On a half-yearly basis (half year ending September and March of each financial year), all directors,

officers and key employees of the Company and its Subsidiaries shall sign a certification of compliance in a form substantially similar to that attached hereto as **Schedule I**. The company secretary of the Company or its Subsidiaries (as applicable) shall give a confirmation in the form annexed hereto as **Schedule II** at the meeting of the board of directors of the Company or the Subsidiaries (respectively) that, either the senior management has not received any evidence of any breach of this Policy or if any instance of breach of such Policy has come to their knowledge, such matter was investigated in detail and appropriate action has been taken in terms of this Policy.

IX. TRAINING:

The employees, directors and officers of the Company and its Subsidiaries must participate in anti-Bribery training and this Policy and the contents of the Policy shall also be included in the Company's training manual/s.

X. AUDITING:

The provisions of this Policy will be the subject of targeted reviews conducted by the Company. The reviews will assess the effectiveness of this Policy and propose enhancements as needed.

XI. REPORTING AND NON-RETALIATION:

Directors, officers and employees of the Company and its Subsidiaries shall report any conduct which they believe in good faith to be a violation or apparent violation of this Policy or the attached Procedures to supervisors or higher management. Any such reports shall be treated as confidential to the extent allowed by law. The Company and its Subsidiaries prohibit retaliation for good faith reports of suspected misconduct.

Any questions concerning this Policy or implementation of the Procedures may be addressed to the Legal Department.

XII. RECORD KEEPING AND INTERNAL CONTROLS

The Company and its Subsidiaries shall keep books, records and accounts in reasonable detail that accurately and fairly reflect all transactions and disposition of assets of Company and its Subsidiaries, as the case maybe.

The Company and its Subsidiaries shall maintain internal controls to prevent and detect potential violations of this Policy or of Anti-Corruption Laws. All Persons must completely and accurately document the amount of all transactions, including payments made on behalf of or expenses incurred by the Company and its Subsidiaries, as the case maybe.

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.

XIII. DEFINITIONS

The capitalized terms used in this Policy shall have the meanings set forth below:

"Bribe/ Bribery" means the offering, promising, giving, receiving, soliciting or accepting of 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. Bribes are payments made in the form of money or anything of value in return for a business favour or advantage and includes not only direct payments, but also authorising or permitting a third party to commit any of the acts or take any part in the actions.

"Cash" means any form of legal currency and monetary equivalents such as travelers' checks, bearer instruments, notes and similar instruments.

“Company” means Fabindia Limited, formerly known as Fabindia Overseas Private Limited a public limited company incorporated under the Companies Act, 1956, and having its registered office at at Plot No.10, Local Shopping Complex, Sector B Pocket-7, Vasant Kunj, South Delhi, New Delhi- 110070, including its subsidiary companies and their heirs, successors and / or assigns.

"Gift(s)" means any tangible object of any kind, regardless of the monetary value.

“Legal Department” means the legal department of the Company and/or its Subsidiaries, as the case may be.

"Person" means any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that may be treated as a person under applicable law.

"Policy" means this policy and all the Schedules annexed hereto.

Any other terms not defined herein shall have the same meaning as defined in applicable Anti-Corruption Laws.

XIV. SCHEDULES AND FORMS:

Schedule I : Employee Certification of Anti-Corruption Policy Compliance

Schedule II : Certificate to be provided by the company secretary

SCHEDULE I

KEY EMPLOYEES/OFFICER/DIRECTOR HALF YEARLY CERTIFICATION OF ANTI-CORRUPTION POLICY COMPLIANCE

I, _____, certify that I understand the requirements and prohibitions of the Prevention of Corruption Act 1988 (“**PCA**”), that I will comply with the principles and objectives of the PCA, and that I will not take any actions that could cause [*Insert the name of the Company or the relevant Subsidiary*] (the “**Company**”) to be in violation of the PCA or secure any improper advantage to the business of the Company. I also certify that I have received a copy of the Company’s anti-corruption policy governing conduct of the Company (the “**Anti-Corruption Policy**”), that I understand the Anti-Corruption Policy, and that I agree to follow the Anti-Corruption Policy.

I hereby certify that I have not made or offered to make, and have no knowledge or reason to believe that for the purpose of securing any improper advantage to the business of the Company, any employee, director, officer, consultant, agent, or distributor of the Company made or offered to make, any improper payment or gift to any official or employee of a government-owned or controlled company or any governmental authority or any public international organization, political party or party officials, or candidate for public office.

I further certify that all questions, issues, or possible violations of laws prohibiting improper payments, bribes or kickbacks, including any matters involving the Anti-Corruption Policy for the purpose of securing any improper advantage to the business, which arose since my last certification have been discussed with the Company’s Legal Department, as required in the Anti-Corruption Policy.

Signature of Employee/Officer/Director
Date

Printed Name and Title

SCHEDULE II

[COMPANY SECRETARY CERTIFICATION]

I, _____, certify that I understand the requirements and prohibitions of the Prevention of Corruption Act 1988 (“**PCA**”), and that I have received a copy of the anti-corruption policy of [*Insert the name of the Company or the relevant Subsidiary*] (the “**Company**”) governing the conduct of the Company (the “**Anti-Corruption Policy**”) and I understand the provisions of the Anti-Corruption Policy.

I hereby certify that I have no knowledge or reason to believe that for the purpose of securing any improper advantage to the business of the Company, any employee, director, officer, consultant, agent, or distributor of the Company has made or offered to make, any improper payment or gift to any official or employee of a government-owned or controlled company or any governmental authority or any public international organization, political party or party officials, or candidate for public office or any other person.

I further certify that since the last certification, if any, provided by the company secretary to the board of directors of the Company, all questions, issues, or possible violations of laws prohibiting improper payments, bribes or kickbacks, including any matters involving the Anti- Corruption Policy if any for the purpose of securing any improper advantage to the business that have come to the knowledge of the senior management have been discussed with the Company’s Legal Department, appropriately investigated and suitable action has been taken as required in the Anti-Corruption Policy.

Signature of the Company Secretary

Date

Printed Name and Title