

Bulletin #: 1

## **India Ratings & Research Anti-Corruption Policy**

**Effective Date:** August 9, 2021

**Version:** 2

**Author:** Compliance Department

---

India Ratings is committed to conducting business in a straightforward and transparent manner according to global business standards. India Ratings employees must comply with the laws of the countries in which they do business and with applicable laws and regulations.

As a general principle, it is unlawful to offer, pay or receive a bribe or other inducement designed to influence sales or obtain favorable business arrangements or other improper advantage (collectively, "Anti-Corruption Laws"). These payments or gifts are generally illegal whether made directly, or through another person or entity. Violation of these Anti-Corruption Laws could result in severe civil and criminal sanctions, including fines and penalties for India Ratings, and, in the case of individuals, imprisonment.

Particular scrutiny must be applied to situations that may involve public officials of any kind.

As per Prevention of Corruption Act, 1988 a public servant/official would include the following:

- (i) any person in the service or pay of the Government or remunerated by the Government by fees or commission for the performance of any public duty;
- (ii) any person in the service or pay of a local authority;
- (iii) any person in the service or pay of a corporation established by or under a Central, Provincial or State Act, or an authority or a body owned or controlled or aided by the Government or a Government company as defined in section 617 of the Companies Act, 1956;
- (iv) any Judge, including any person empowered by law to discharge, whether by himself or as a member of any body of persons, any adjudicatory functions;
- (v) any person authorised by a court of justice to perform any duty, in connection with the administration of justice, including a liquidator, receiver or commissioner appointed by such court;
- (vi) any arbitrator or other person to whom any cause or matter has been referred for decision or report by a court of justice or by a competent public authority;
- (vii) any person who holds an office by virtue of which he is empowered to prepare, publish, maintain or revise an electoral roll or to conduct an election or part of an election;
- (viii) any person who holds an office by virtue of which he is authorised or required to perform any public duty;
- (ix) any person who is the president, secretary or other office-bearer of a registered co-operative society engaged in agriculture, industry, trade or banking, receiving or having received any financial aid from the Central Government or a State Government or from any corporation

established by or under a Central, Provincial or State Act, or any authority or body owned or controlled or aided by the Government or a Government company as defined in section 617 of the Companies Act, 1956;

(x) any person who is a chairman, member or employee of any Service Commission or Board, by whatever name called, or a member of any selection committee appointed by such Commission or Board for the conduct of any examination or making any selection on behalf of such Commission or Board;

(xi) any person who is a Vice-Chancellor or member of any governing body, professor, reader, lecturer or any other teacher or employee, by whatever designation called, of any University and any person whose services have been availed of by a University or any other public authority in connection with holding or conducting examinations;

(xii) any person who is an office-bearer or an employee of an educational, scientific, social, cultural or other institution, in whatever manner established, receiving or having received any financial assistance from the Central Government or any State Government, or local or other public authority.

As mentioned above, for purposes of the Anti-Corruption Laws, public officials include a broad range of persons who may not ordinarily be thought of as “public officials,” covering not only personnel of any national, state or local governmental body, department or agency, but also:

1. Persons acting on behalf of such entities;
2. Officials of political parties and candidates for political office;
3. Personnel of public international organizations, such as the United Nations and the World Bank;
4. Personnel of any entity owned or controlled by any national, state or local government, including entities engaged in ordinary commercial activity; and
5. Immediate family members (e.g., parents, children, spouses, partners, and in-laws), close friends, and close business associates of public officials.

## **A. THE POLICY**

India Ratings strictly prohibits the making of any payments in violation of Anti-Corruption Laws to public officials and others in all locations in which it operates. It is India Ratings s policy to comply with the letter and the spirit of the Anti-Corruption Laws and to refrain from making gifts, payments, promises, or offers that violate, or even could appear to violate the Anti- Corruption Laws.

To ensure that India Ratings complies fully with the Anti-Corruption Laws, all India Ratings employees must be familiar with and follow this Anticorruption Policy (this "Policy"). India Ratings employees are also required to ensure that any business relationships with agents, consultants, and joint venture partners (individually, a "India Ratings Representative", collectively, "India Ratings Representatives") will be in compliance with all laws designed to combat corruption in international business transactions.

In some cases, local laws, regulations or customs may be more restrictive than India Ratings policies, or other laws that might apply. Where such a conflict exists, India Ratings employees must follow the more restrictive local law, custom or policy.

Questions regarding this Policy must be directed to Fitch's General Counsel. Each employee must immediately report any suspected violation of this Policy to Local Compliance who will in turn report to the Board of Directors. Any individual who, in good faith, reports the suspected legal, ethical, or policy violation of another person will not suffer any adverse consequences for having done so. India Ratings will not tolerate any retaliation against any employee or India Ratings Representative who has in good faith reported a possible violation of this Policy. All reported concerns will be taken seriously and investigated as appropriate and the confidentiality of such reports will be maintained.

Pursuant to Fitch Group's policy, India Ratings shall appoint an Anti-Corruption Officer

## **B. RULES**

All India Ratings' employees must strictly observe the following rules:

### **1. Use of India Ratings Funds**

India Ratings employees may not use India Ratings or personal funds for any purpose that would violate the laws or regulations of a country.

### **2. Payments to Third Parties**

India Ratings employees may not offer or provide or promise anything of value, directly or indirectly, to any person in a position of trust, or who is under a duty to act impartially or in good faith, in order to induce the person to violate that trust or duty in order to help India Ratings obtain or keep business with any party, or to receive any type of favorable treatment or other improper benefit.

"Anything of value" includes cash, cash equivalent like vouchers, gifts, meals, travel expenses, entertainment, and services. These prohibitions include payments made directly, as well as those made indirectly through agents, contractors or intermediaries.

### **3. Gifts to Third Parties**

Gifts given to foreign individuals raise concerns regarding undue influence and corruption under the Anti-Corruption Laws. Gifts given for the purpose of improperly influencing government officials in their official capacity or other third parties to obtain or retain business or a business advantage, or in explicit or implicit exchange for favors or benefits violate the Anti-Corruption Laws, and are strictly prohibited. Employees must additionally refer to the Gifts policy to note the permissible/acceptable level of gift/entertainment payable/receivable.

Furthermore, the gift, if any, should promote the business of India Ratings, such as through branding with the India Ratings logo.

Notwithstanding the foregoing, the following gifts are never appropriate:

- cash;
- cash equivalents (e.g., gift cards/vouchers);
- gifts provided during the pendency of a governmental decision-making process, including the pendency of regulatory approvals, government tenders, and government requests for proposals, and the official has a role in that process;
- gifts given, promised, or offered for the purpose of influencing official acts or decisions with the expectation that a business advantage will be received, or to reward a business advantage already given; and
- gifts that give rise to the appearance of impropriety.

#### 4. Entertainment and Travel Expenses for Third Parties

The provision of entertainment, including meals and other events, or the payment of travel related expenses involving foreign officials and other third parties is appropriate in certain circumstances. India Ratings permits such an expense if it is (1) related to the promotion of India Ratings' products or services or to the execution or performance of a contract, (2) not prohibited by local law, (3) customary under local business practices, (4) reasonable under the circumstances, including the recipient's position, the nature of the event, and the number of attendees, and (5) not lavish or extravagant. India Ratings employees may not offer or provide or promise any entertainment or offer to pay any travel related expense, directly or indirectly, to any person in a position of trust, or who is under a duty to act impartially or in good faith, in order to induce the person to violate that trust or duty in order to help India Ratings obtain or keep business with any party, or to receive any type of favorable treatment or other improper benefit.

Entertainment of a foreign official or other third party is specifically prohibited during the pendency of a governmental decision-making process, including the pendency of regulatory approvals, government tenders, or government requests of proposals, and the official has a role in that process.

Reasonable and *bona fide* travel expenses for foreign officials may include, but are not limited to: (1) airfare, (2) lodging costs, (3) ground transportation costs, and (4) the costs of meals and modest entertainment during the trip.

This Policy prohibits the payment of certain travel-related expenses of foreign officials and other third parties that may raise significant concerns with respect to the Anti-Corruption Laws, including:

- extravagant travel arrangements;
- per diems in cash or cash equivalents;
- expenses not directly related to the promotion or explanation of India Ratings' products or services, or the execution or performance of its contract with a foreign government or agency (e.g., side trips); and
- travel by a spouse or close family member of a foreign official or other person.

Direct payment to vendors, rather than reimbursement of expenses, is strongly preferred. If direct payment is not possible, then reimbursement of expenses must be made only after the submission of supporting expense receipts. Whenever possible, reimbursement must be paid to the official's government agency rather than to the individual. In rare situations in which reimbursement may not be paid to the official's government agency, the agency must confirm in writing that the official is authorized to receive the reimbursement on behalf of the agency.

5. "Facilitating" or "Kickback" Payments

This Policy prohibits the offer, payment or receipt of "facilitating" or "kickback" payments, which are nominal payments or gifts made to expedite or secure performance of duties which a person is ordinarily expected to provide.

6. Agents and Consultants

India Ratings employees may not offer, make, or receive any payments prohibited by this Policy through any party retained, directly or indirectly, by India Ratings.

7. Political or Charitable Contributions

Under no circumstances may corporate funds, facilities, or services of any kind be paid or furnished (i) to any political candidate or prospective candidate for public office, (ii) to any political party, or (iii) to any political initiative, referendum, or other form of political campaign by any employee or India Ratings Representative on behalf of India Ratings, as this can be perceived as an attempt to gain an improper business advantage. Nothing in this Policy prohibits an individual employee or India Ratings Representative from making a political or charitable contribution on such employee's or India Ratings Representative's own behalf.

8. Books and Records

All payments made in the course of conducting India Ratings business (whether from India Ratings or personal funds), anywhere in the world, must be recorded in India Ratings' accounting records and described accurately and in accordance with the law. Relevant policies should be followed for correct accounting practices and recording for all transactions, including any payments made to government entities or officials, government owned or controlled enterprises or charitable foundations. Recording any transaction in a way that would conceal its true nature is a violation of this Policy and may carry both civil and criminal consequences.

## **C. PENALTIES**

Violations of Anticorruption Laws can result in severe criminal and/or civil penalties for both India Ratings and the individual(s) involved. In addition, there may be collateral consequences for violating these laws that can impact India Ratings' or an individual's reputation as well as the ability to obtain licensing and to continue doing business in a given country, region or market.

The failure to comply with this Policy will be grounds for disciplinary actions up to and including termination.