BMW TechWorks India

A TATA TECHNOLOGIES Joint Venture

BMW TechWorks India
ABAC Policy

List of Content

1. PURPOSE

a. BMW TechWorks India Private Limited (hereinafter referred to as "BTI/Company") practices a zero-tolerance approach to bribery and corruption and committed to acting professionally and fairly in all its business dealings and relationships and in implementing and enforcing effective systems to counter bribery and corruption in any form.

b. BTI, having adopted the Code of Conduct, is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates, and to implementing and enforcing adequate procedures to counter bribery and corruption. This includes compliance with all laws, domestic and foreign, prohibiting improper payments, gifts, or inducements of any kind to or from any person, including private or public officials, customers, and suppliers.

c. The purpose of this Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") is to outline guiding principles and adequate procedures to prevent any activity or conduct relating to bribery, facilitation payments, or corruption.

d. It requires all BTI Personnel (defined below) to recognize questionable transactions, behaviour, or conduct, and to take steps to comply, record and follow the procedures put in place to deal with such behaviour or conduct.

2. SCOPE AND APPLICABILITY

a. This ABAC Policy is applicable to BTI, and all activities undertaken for or by BTI directly or indirectly.

b. This ABAC Policy is applicable to all individuals working at all levels and grades, including directors, senior managers, officers, other employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, interns, seconded staff, casual workers and agency staff, agents, or any other person associated with BTI including their respective employees who interact with BTI, and such other persons, including those acting on behalf of BTI (all of the aforesaid being collectively referred to as "BTI Personnel").

3. POLICY STATEMENT

a. We do not tolerate bribery or corruption in any form or manner. Adequate measures have been implemented and enforced to prevent, deter, detect, and counter bribery and corruption in any form or manner.

b. As a part of this process, offering, promising to offer, or accepting bribes, directly or indirectly, and being involved in corruption is prohibited and this shall reflect in every aspect of our business.

c. BTI maintains detailed and accurate books of account of all transactions, which aids in the detection of bribery or corruption.

d. Any violation of this ABAC Policy by BTI Personnel will be regarded as a serious matter and shall result in disciplinary action.

e. The guidelines in this ABAC Policy should be read in conjunction with:

- The Code of Conduct
- Whistleblower Policy
- Gifts, Entertainment and Hospitality Policy
- Any other relevant policies may be implemented from time to time.

4. DEFINITIONS

a. **Bribery**:

Bribery includes the offer, promise, giving, demand, or acceptance of anything of value as an inducement for an action which is illegal, unethical or breach of trust. Bribes often involve payments (or promises of payment) but may also include anything of value - providing inappropriate gifts, hospitality, and entertainment, inside information, sexual or other favors; offering employment to a relative; underwriting travel expenses; abuse of function; preferential treatment or other significant favors. Bribery includes advantages provided directly, as well as indirectly through an intermediary. Bribery also includes any attempt to do any of the foregoing.

b. **Corruption**:

Corruption includes wrongdoing on the part of an authority, 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. For example, corruption includes bribes offered or promised in the form of money, a privilege, an object of value, or an advantage in order to exert improper influence on decisions of an individual in his official capacity.

c. **Gift, Entertainment and Hospitality**:

A gift is anything of value and would encompass any gratuitous monetary or non-monetary benefit. It includes tangible items such as cash, precious metals and stones, jewellery, art, and any of their equivalents, and intangible items such as discounts, services, loans, favors, special privileges, advantages, benefits, and rights that are not available to the public.

Hospitality includes refreshments, meals, travel, and accommodation. Entertainment includes vacation, trips, use of recreational facilities, tickets or pass for plays/concerts/sports events. Hospitality and entertainment may also qualify as a gift unless they fall within reasonable bounds of value and occurrence.

d. **Public Official / Foreign Public Official**

A "Public Official" would include the following:

i. any person holding a legislative, executive, or administrative office of the government, or acting in the official capacity for or on behalf of a legislative, executive, or administrative office of the government, whether appointed or elected, whether permanent or temporary, whether paid or unpaid;
ii. Candidates for public office, whether running for national, state, provincial, or local positions, including political party nominees.
iii. Officials, representatives, or employees of political parties
iv. any person in the service or pay of the government or of a corporation established by or under a central, provincial or state statute, or an authority or a body owned or controlled or aided by the government or a government company or is remunerated by the government by fees or commission for the performance of any public duty;
v. any judge, including any person empowered by law to discharge, whether by himself/herself or as a member of any body of persons, any adjudicatory functions;
vi. any person authorized by a court of justice to perform any duty in connection with the

administration of justice, including a liquidator, receiver, or commissioner;

vii. any person who performs a public duty, including for a public agency or public enterprise, or provides a public service, as defined in the domestic law of the country and as applied in the pertinent area of law;

viii. any elected or appointed officers or employees of public international or multilateral organizations, such as the United Nations; and

ix. any other person who is considered as public official according to applicable laws and regulations.

A "Foreign Public Official" broadly includes the "Public Officials" mentioned above who are not under the domestic jurisdiction (country of operation of the Company). The definition of "Foreign Public Official" is subject to the definition prevalent in local applicable regulation.

e. **Facilitation Payments or Kickbacks**

"Facilitation Payments" are unofficial payments made to Public Officials in order to secure or expedite the performance/non-performance of a routine or necessary action. They are sometimes referred to as 'speed' money or 'grease' payments or 'good-will money.' The payer of the facilitation payment usually already has legal or other entitlement to the relevant action. "Kickbacks" are typically payments made in return for a business favor or advantage.

f. **Third Party**

The term "third party" includes any individual or organization, who/which comes into contact with BTI or transacts with BTI, and also includes actual and potential clients, vendors, consultants, retainers, agents, advisors, distributors, business associates, partners (including academic institutions), contractors, suppliers or service providers who work for and on behalf of BTI.

5. GENERAL PRINCIPLES

a. **Gifts, Entertainment and Hospitality**

i. Gifts, entertainment, and hospitality may be acceptable if they are made in compliance with the BTI's policies inclusive of the Code of Conduct, BTI's Gift, Entertainment & Hospitality Policy, and various advisories issued from time to time under the foregoing.

ii. No BTI Personnel should accept or solicit any personal benefit from anyone in the course of BTI's business or employment in a manner that might compromise or appear to compromise their objective assessment relating to such business or employment.

iii. BTI Personnel are prohibited from offering gifts or granting favors outside the ordinary course of business to current or prospective customers, their employees or agents, Public Officials or any other person with whom BTI or its business associates have any business dealings, including but not limited to a contractual relationship, an intent to negotiate an agreement or, in the case of Public Officials, where such Public Officials have regulatory oversight over BTI.

b. **Facilitation Payments or Kickbacks**

i. Any Facilitation Payments and kickbacks are inappropriate payments, and any such payment made by BTI Personnel during the course of employment or on behalf of the BTI is forbidden.

c. **Interaction with Customers**

i. Where BTI Personnel is responsible for relationships with customers, they may entertain customers for bona fide purposes only in accordance with BTI's Gift, Entertainment & Hospitality Policy. Records of such entertainment should be maintained as per the Global Gift, Entertainment & Hospitality Policy.

ii. In the normal course of business, discounts and rebates may be offered to customers in both the private and public sectors. While this is common industry practice, the wide variety of arrangements and the relative complexity of some of them creates a degree of risk that such arrangements could be used to disguise improper inducements to individual customer representatives (for example, selective dissemination of the fact that free products are being provided), and consequently great care needs to be exercised in the deployment of such arrangements.

d. **Use of Third-Party Agents, Consultants, and other Intermediaries**

i. BTI may be held responsible for bribes paid on its behalf by Third Parties, with severe and often irreparable consequences, even if BTI did not authorize these payments. Therefore, it is critical that we are careful in the selection of any Third Parties.

ii. The evaluation and approval procedure for selecting any third party should be fully documented and up-to-date records should be maintained.

iii. BTI Personnel must ensure that all third parties with whom they deal are aware of the Company's policies and expectations with respect to bribery and corruption.

iii. All dealings with Third Parties will be carried out with the highest standards of integrity and in compliance with all relevant and applicable laws and regulations. BTI Personnel must follow the processes and adhere to the system of internal controls. Third Party selection should never be based on the receipt or expectation of a gift, hospitality, payment or favor of any kind or manner.

iv. The following should be kept in mind prior to engaging a Third Party:
- Appropriate due diligence is conducted and properly documented.
- Appropriate anti-bribery and anti-corruption provisions in addition to the Code of Conduct and relevant policies are incorporated in the contracts, including the right to audit, as well as a clause on termination, if the partner/party fails to abide by the anti-bribery and anti-corruption terms.

v. The due diligence process is based on the level of risk which BTI is exposed to, due to contracting with the Third Party. For example, Third Parties interacting with Public Officials on behalf of BTI should be classified as 'high risk' for bribery and corruption.

- The due diligence process for low risk Third Parties may be limited to searches in various compliance databases, media records, etc. The due diligence process should be carried out at least once every three years or at the time of renewal of contracts / purchase orders, as applicable.
- Any violation of ABAC requirements by Third parties may result in any actions including but not limited to termination of contract, suspension of business relationship, blacklisting from future engagements, reporting to regulatory or law enforcement authorities, where required.

e. **Government Interaction**

i. Doing business with the government is highly regulated and typically follows stricter rules than those in the commercial marketplace. If you work with Public Officials or a government-owned (or partially owned) company, you have a special duty to know and comply with applicable laws and regulations, adhere to the highest standards of integrity, and avoid even the appearance of impropriety. BTI may interact with the government, Public Officials, and government agencies in multiple forms, such as seeking statutory or regulatory approvals, as a supplier, as a customer, etc. BTI Personnel should always be truthful, accurate, cooperative, and courteous while representing BTI before any government, government officials, and government agencies.

ii. Any gifts, hospitality, or entertainment with respect to government officials must be in compliance with the Company's Gift and Hospitality Policy.

f. **Political, Community or Charitable Contributions and Sponsorships**

i. The Code of Conduct states: "We shall act in accordance with the constitution and governance systems of the countries in which we operate. We do not seek to influence the outcome of public elections, nor to undermine or alter any system of government. We do not support any specific political party or candidate for political office. Our conduct must preclude any activity that could be interpreted as mutual dependence / favor with any political body or person, and we do not offer or give any company funds or property or other resources as donations to any specific political party, candidate, or campaign."

ii. BTI Personnel are not allowed to make political contributions from the funds, properties, or other resources of BTI.

g. **Mergers and Acquisitions, Joint Ventures, Partnerships**

i. Appropriate and reasonable due diligence will be conducted to ensure compliance with anti-bribery and anti-corruption procedures, as well as to assess the reputation and integrity of any business considered for investment.

i. **Books, Records, and Internal Control Requirements**

i. Accurate and complete record keeping is essential to the successful operation of BTI, as well as to our ability to meet our legal and regulatory obligations. Each BTI Personnel have a responsibility to be accurate, complete and honest in what they report and record in all internal and external documents of BTI, including but not limited to the accounting records, timecards, expense reports, invoices, payroll records, safety records, business records, performance evaluations, contracts, etc.

ii. All business units and entities are required to maintain an effective system of internal controls and monitoring of BTI transactions. Certain monitoring controls are identified in our policies, specifically regarding approval of travel and entertainment expenses.

iii. Our records management and retention policies ensure maintaining the records required to meet legal, tax and regulatory requirements and securely dispose of records that are no longer needed or are beyond the statutory retention period.

All reports, complaints, doubts or concerns in relation to this ABAC Policy shall be raised with the Legal & Compliance Officer of BTI at ethics@bmwtechworks.in. Any action required to be undertaken shall be taken in accordance with this ABAC Policy.

6. RESPONSIBILITIES

i. BTI Personnel should familiarize themselves with this ABAC Policy and other policies, procedures and controls like Gifts and Hospitality through participation in training sessions made available or guidelines issued from time to time.

ii. BTI Personnel must comply with this ABAC Policy and ensure that our BTI's procedures and measures to mitigate ABAC risks are upheld and strengthened. If in doubt whether an act would breach this ABAC Policy, take a step back and ask oneself the following for the contemplated action:

- What is the intent – will this act be perceived as taking or giving undue advantage?
- How would it look if these details were on the front page of a major newspaper or social media?

iii. Whenever faced with any doubts about whether certain conduct complies with this ABAC Policy, or about any act that could be perceived to be a potential breach of this ABAC Policy, BTI Personnel shall consult with the Compliance Officer or Chief Human Resource Officer.

iv. BTI Personnel are required to ensure that all expense claims relating to hospitality, gifts, charitable donations, or payments made to Third Parties are submitted in accordance with applicable policies and that all such expense claims specifically record or state the reason for such expenditure.

v. BTI Personnel, who are in managerial positions, shall ensure that their team members are familiar with this ABAC Policy and other related policies herein. They shall guide their team members and ensure that the guidelines in this ABAC Policy are upheld and adhered to by their team members and the Third Parties working with them.

vi. BTI Personnel have a duty to report any non-compliance with this ABAC Policy or applicable law or the presence of any Red Flag indicators i.e. Do`s and Don`ts (Refer Annexure A) so that necessary action can be taken by BTI promptly to mitigate the risks and other consequences arising therefrom.

vii. BTI Personnel shall provide full cooperation for any enquiry or investigation conducted or to be conducted by BTI in relation to any potential violation of this ABAC Policy or applicable law.

7. COMMUNICATION AND TRAINING

i. Regular training and awareness sessions shall be made available in relation to this ABAC Policy. BTI's Whistleblower Policy is disseminated throughout the Company on a regular basis.

ii. BTI personnel must undertake compliance training when they are offered and are expected to remain up to date with the requirements of ABAC policy.

iii. The company's Anti-bribery and Anti-corruption policy and zero-tolerance attitude will be clearly communicated to all suppliers, contractors, business partners, and any third parties at the outset of business relations, and periodically thereafter.

8. REPORTING OF CONCERNS AND INVESTIGATIONS

i. Every BTI Personnel is encouraged to raise concerns about any bribery issue or any case of corrupt practices or any breach of this ABAC Policy or applicable ABAC law at the earliest. If they are unsure whether a particular act constitutes bribery or corruption or if they have any other queries, these should be raised with their respective reporting manager.

ii. BTI Personnel may also raise concerns or queries through BTI's Whistleblower Channel or write to ethics@bmwtechworks.in

iii. The Ethics Council shall investigate every query or concern raised by any BTI Personnel in relation to any suspected violation of this ABAC Policy. All queries, concerns or complaints received by the Compliance Officer involving any bribery or corruption issue should be reported to the Ethics committee. Any action required to be undertaken under this ABAC Policy shall be taken by the Ethics Committee. The Ethics Committee shall submit quarterly compliance reports to the Managing Director. Aggravated cases of breach of this ABAC Policy shall be escalated to the Board of Directors of the Company.

iv. Any BTI Personnel having reason to believe that they have been subjected to unjust treatment as a result of a concern or refusal to accept a bribe, should reach out as per aforementioned channel.

v. No BTI personnel who, in good faith, report a violation per this ABAC Policy shall suffer any harassment, retaliation or adverse employment consequences.

9. PENALTIES

i. Any violation of this ABAC Policy by BTI Personnel will be regarded as a serious matter and may result in disciplinary action, including but not limited to termination of employment, consistent with applicable law and the employee's terms of employment.

ii. Bribery is a criminal offense. BTI Personnel will be accountable whether they pay a bribe themselves or if such BTI Personnel authorizes, assists, or conspires with someone else in contravention to the ABAC policy. Punishments for violating the law against an individual may include imprisonment, probation, and monetary fines (which will not be paid by BTI).

10. AMENDMENT OF ABAC POLICY

BTI reserves the right to vary and/or amend the terms of this ABAC Policy from time to time.

Annexure A

DO'S AND DON'T'S

DO'S

- Act with honesty, integrity, and fairness in conducting the BTI's business.
- Comply with applicable law and regulations.
- Notify the Compliance department of any suspected fraud, dishonesty, or unethical/illegal behaviour.
- Accept or offer any gift and/or entertainment only in line with the Code of Conduct and the Gift, Entertainment and Hospitality Policy.
- Adhere to the BTI Anti-Bribery & Anti- Corruption Policy.
- Conduct appropriate due diligence prior to engaging a third party.
- Adhere to the highest standards of integrity and avoid even the appearance of impropriety when engaging with government officials.

DON'T'S

- Make any payment to or for anyone that could be viewed as a bribe or corrupt act.
- Receive/accept a gift, entertainment, etc. from any vendor, suppliers etc. of BTI in violation of the Gift, Entertainment and Hospitality Policy.
- Offer gifts and/or entertainment to any person for the purpose of obtaining or retaining business or for influencing any decision or action of the recipient in an improper manner.
- Provide, offer to provide, accept, or request any bribes, kickbacks, secret commissions, or other irregular payments.