

**CONSOCIA
ADVISORY**

CONSOCIA ADVISORY PRIVATE LIMITED

CONSOCIA ANTI-BRIBERY AND ANTI- CORRUPTION (CABAC) POLICY

First edition effective: 01/01/2021 Valid up to 31/12/2023

To be Revised on: 01/01/2023

Approved by:



Deepak Jolly



Praveen Aggarwal



Consocia's Anti-Bribery and Anti- Corruption (CABAC) Policy

Preamble and Purpose: The Anti-Bribery and Anti-Corruption emphasizes Consocia's zero tolerance approach to bribery and corruption. It guides us to act professionally, fairly and with utmost integrity.

- This policy principles with respect to applicable Anti-Bribery and Anti-Corruption laws.
- The policy provides information and guidance on how to recognize and deal with bribery and corruption issues.
- It guides us to act professionally, fairly and with utmost integrity in all our business dealings and relationships, wherever we operate.

1. Introduction

- Adherence to good Corporate Governance and managing its affairs in a fair, honest, ethical, transparent and legal manner is an integral part of the philosophy of Consocia Advisory Pvt. Ltd., (the Company). Furtherance to its philosophy the Company formulates this Anti Bribery and Anti-Corruption Policy (CABAC) to ensure that no employee/ consultant or full time consultants of the Company indulges in and associate with any act of bribery, extortion or corruption with any government officials or any person for or on behalf of the Company.
- This Anti-Bribery Policy is based on the law of Prevention of Corruption Act, 1988 of India and other similar applicable Anti Bribery and anti -corruption Laws of India, USA, UK and rest of the World.

2. Applicability and Purpose

- This policy apply to all officers, directors, managers, employee/ consultant or full time consultants (hereinafter referred as to the "Associates") of the Company (including employee/ consultant or full time consultants temporarily transferred to affiliates and vendors), agents, representatives, and joint-venture partners, or anyone else doing business in the name of or with the Company, including the suppliers, contractors, or subcontractors (collectively referred to herein as "Covered Parties").
- The Company has a zero tolerance approach to acts of Bribery and corruption, by employee/ consultant or full time consultants or anyone acting on behalf of the Company. Any breach of this policy will be regarded as a serious matter by the Company of which is likely to result in disciplinary action.

3. Policy

This Policy reflects the business practices and principles of behaviour that support this commitment to zero tolerance approach to acts of Bribery and corruption,

3.1 General Principals

- No bribes of any sort shall be paid or accepted from customers, suppliers, politicians, government / public official, public advisors or representative's private person or Company for or on behalf of the Company for or in respect of any business or official matters or transactions of the Company. Bribery is committed when an inducement or reward is provided, in order to gain any commercial, contractual, regulatory or personal advantage for the Company or another party.



3.2 Bribe, Facilitation Payments or Kickbacks

- 3.2.1 Consocia prohibits all forms of bribery and corruption whether involving, but not limited to, Government Officials or a private sector person (including media and journalists) or company and whether directly or indirectly.
- 3.2.2 Consocia conducts its business lawfully and ethically and expects everyone associated with it to conduct its business with integrity regardless of the existence of any local customs or traditions that may question integrity.
- 3.2.3 No Associate shall ever:
 - i. Directly or indirectly offer or pay, or authorize an offer or payment, of money or anything of value to a government official¹, Healthcare Professionals⁶, or any other person or entity (including in the private sector), which is:
 - ii. Intended to influence the judgment of the recipient in exercising his or her job responsibilities, or
 - iii. Intended to secure preferential treatment or an improper advantage for Consocia, or

Following are few indicative examples of bribe which any Associate should refrain from exercising:

- a) Offering a bribe: You offer tickets to a potential client of a major sporting event, but only if they agree to do a business with us.
- b) This would be an offence as you are making the offer to gain a commercial and contractual advantage. Consocia may also be found to have committed an offence because the offer has been made to obtain business for us. It may also be an offence for the potential client to accept our offer.
- c) Receiving a bribe: A business partner gives your nephew a job, but makes it clear that in return they expect you to use your influence in Consocia to ensure we continue to do business through them. It is an offence for such business partner to make such an offer. It would also be an offence for any Employee/Associate to accept the offer to gain a personal advantage.
- d) You offer a job to the relative of a Client/ Govt Official in lieu of business. It would be an offence by an Associate to make such an offer.

3.3 Business Meals and Gifts

- 3.3.1 Consocia acknowledges that exchange of nominal gifts and sharing of entertainment is customary in many parts of the world during national, cultural and religious occasions.
- 3.3.2 The giving or receipt of gifts by Associates is not prohibited, if following requirements are met:
 - i. No quid pro quo – There must always be a legitimate business purpose to support gifts related expenses. Customary gifts, meals, entertainment, travel or lodging may never be given or received in return for a favour/ favourable treatment or to refrain from doing something disadvantaging Consocia.
 - ii. It complies with all applicable Anti-bribery and Anti-corruption laws;
 - iii. It is given under the brand name of Consocia, and not in the name of any Associate;
 - iv. It does not include cash or a cash equivalent (such as gift certificates or vouchers);
 - v. Considering, the reason and nature of the gift, it is of an appropriate type and value and given at an appropriate time;
 - vi. It is given openly, not secretly; and
 - vii. Gifts should not be offered to, or accepted from, GO or representatives, or politicians or political parties, or to media personnel / journalists without seeking an opinion of the



Founder/Co-Founders.

Indicative scenario - A

Vinod, a Consocia Business Development representative, would like to provide the head of retail business with a gift at the start of festival season. What are some of the alternative Vinod should look at?

- a) *An Amazon gift card for INR 5000/=*
- b) *Bottle of Moet & Chandon so that the client can raise a toast with her family*
- c) *An all paid trip to Goa for client and her spouse*
- d) *A personalized digital photo frame with Consocia branding*

Vinod should consider both, cost as well as appropriateness while choosing the gift. As per Consocia policy, gift card is considered cash equivalent and hence must not exceed INR 5000/= gift. One should also be careful while providing gifts such as a bottle of champagne that this is in the Gift range and additionally be careful, as may be deemed inappropriate in some cultures. A vacation trip is also violation of Consocia's policy and must be avoided.

A personalized digital photo frame with Consocia branding, with an appropriate value and corresponding approvals, may be considered in the above scenario.

- 3.3.3 The test to be applied is whether in all the circumstances the gifts, hospitality and entertainment is modest, desirable, reasonable, and not viewed as lavish regardless of actual monetary value and justifiable.
- 3.3.4 Associates cannot accept any gifts in cash or kind, except owing to the customary or religious practices followed by any third party. Associates need to exercise professional judgment in identifying inappropriate, frequent or material gifts and entertainment and shall avoid the same to maintain integrity and independence.
- 3.3.5 This policy does not intend to prohibit normal and appropriate hospitality (offered and received) to or from third parties, only if Associates or personnel of the third party organization offering the hospitality are in attendance. Hospitality limited to meals, drinks and other such sustenance may be offered without prior approval if it is reasonable and justifiable in all the circumstances, taking into account reason and nature, appropriate type, value, given at an appropriate time and not made with the intention of influencing a third party 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.

Indicative scenario – B:

After successful completion of one year of contract, a client has been offered by Vinod with VIP tickets for IPL play-offs which were given to Vinod by another Client. The contract for 2nd year is still under negotiation.

Should Vinod offer such tickets or accept such tickets?

Such tickets may not be of monetary value (for Vinod) but are generally very costly and much desirable. Offering such a gift would amount to violation of Consocia policy as this may seem like allurements for renewal of the Contract.

Vinod should also politely decline receiving such tickets in the first place (unless these are complimentary passes, in which case he has to take prior approval of the Founders). He should also explain the reasons to the client to make sure that client does not feel offended, and client does not make such offers in the future.



3.3.6 All of the following conditions should be satisfied when offering business meals or gifts to Public Officials:

- i. Business meals or gifts offered to Public Officials should be within the range of normal social courtesies; the meal should not exceed Rs 3000/= per person and the gifts including the ones tendered on festivals etc. should not exceed RS 5000/= per person/recipient.
- ii. There must be no circumstances that could give rise to any misunderstanding that such meal or gift is being offered with the intention of gaining any improper business advantage;
- iii. Offering a meal or a gift should not violate the Anti-bribery Laws of the country which the Public Official works for; and
- iv. The expense of the meal and/or gift should be accurately and properly recorded in the appropriate accounting books.
- v. This policy does not prohibit the practices of providing any customary gifts in a particular market, provided such gifts are appropriate and of reasonable nature in comparison to the general market practice and are properly recorded.

3.4 Donations

Consocia may make charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without seeking the prior opinion of the Founders. Associates may, in their personal capacity, make donations that are legal and ethical under local laws and practices. It is recommended that all such donations or contributions are documented with a receipt.

3.5 Policy on Invitations

All the following conditions must be satisfied in the case of any invitations made to Public Officials for meetings, particularly outstation meetings:

- a) There must be a legitimate purpose for the invitation of the Public Official, and there must be no circumstances giving rise to any misunderstanding that such invitation has been made with the intention of gaining any improper business advantage or giving any personal benefit to such official;
- b) Any expense for the invitation borne by the Company should be limited to a reasonable amount or actual expenditure;
- c) Any money to be paid by the Company for such expenses shall not (in any way) provide any personal benefit to a Public Official;
- d) Such invitation must not violate the Anti-bribery Laws of the relevant country which the Public Official works for;
- e) The expenses for the invitation should be accurately and properly recorded in the relevant accounting books.

3.6 Prohibited Activities

- a) The Company Associates/covered parties should not offer and/or provide any pecuniary or other benefits to Public Officials either directly or indirectly (i.e. through a third party). Furthermore, if there is a possibility that any Business Entertainment could give rise to a misunderstanding that the Company has conducted the Business Entertainment with the intention of gaining an improper business advantage (irrespective of its genuine intention), the Company Staff should not offer the Business Entertainment in such situation.



- b) Offering any cash (including, but not limited to, bills/notes, Cheques, every kind of cash voucher, stock certificates and securities;
- c) Any entertainment at hostess, strip or similar adult entertainment clubs; and
- d) Any business meal or gift if the expense is not properly recorded for in the appropriate accounting books and not as per the Code of Conduct Policy of the Company.

3.7 Abundant precaution- Not to use discretion, if at all there is any confusion on applicability of ABAC

If it is difficult to judge whether the planned Business Entertainment or any Gift, any Donation, and Invitation is permissible from a review of this Policy, or there is a potential Red Flag, such cases may be referred to the Founder, who will with the help of other co-founders/directors will decide whether such expense is within the permitted or not under this policy.

Potential risk scenarios: “red flags”

The following is a list of possible red flags that may arise during the course of employment or association of Associates or Business Partners with the Consocia Entities and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If any associate or Business Partner encounter any of these red flags, they must report them promptly to the Founders:

- a) You become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- b) You learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them to government officials or officials involved in the pharmaceutical license application process;
- 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 requests and unexpected additional fee or commission to “facilitate” a service;
- f) A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiation or provision of services
- g) A third-party request that a payment is made to “overlook” potential legal violations;
- h) A third-party request that you provide employment or some other advantage to a friend or relative;
- i) You receive an invoice from a third party that appears to be non-standard or customised;
- j) You notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- k) You are offered an unusually generous gift or offered lavish hospitality by a third party;

3.8 Reporting incidents of Bribery and Corruption

If any member of the Company Staff/Associates discovers any intentional or accidental violation of this Policy, such member of the Company Staff should report such discovery to his/her superior or to the Founders.

4. Books, Records and Internal Controls

Consocia is required to keep accurate books and records and to maintain internal controls to prevent and detect potential violations of our policies or of applicable laws. Internal controls



are processes that monitor compliance with the company's policies. Consocia has appropriate controls to ensure that diligence is conducted, transactions properly approved, documentation received to support expenses, and interactions handled as required by our policies. Consocia shall also use proactive reviews, audits and internal investigations to further monitor compliance and to identify any potential areas to enhance.

- 4.1 All Associates must ensure that all payments and transactions of the Consocia Entities, regardless of value, are recorded accurately with appropriate documentation. For example, in connection with every transaction, you must ensure that all required pre-approval forms, self-assessments, agreements with Business Partners and expense reports, with supporting documents, are maintained and recorded properly. These requirements also apply to every expense regulated by this policy, such as Gifts, meals, travel or other permitted expense.
- 4.2 Always err on the side of including more information about a transaction or an expense, rather than less. The goal is to ensure that the Consocia Entities' books, records and accounts accurately and fairly reflect our transactions in reasonable detail. Transparency and completeness in our records help demonstrate our compliance with this policy and with applicable laws and regulations.

Indicative Scenario C:

For example, submitting an expense voucher for a meal and failing to note that Government Officials attended the meal, may be viewed as creating an inaccurate corporate record. Creating a papertrail through emails or other documents after an expense was incurred to give the appearance that the expense was pre-approved also may be viewed as creating an inaccurate corporate record or falsifying documents.






Annexures:

Terms	Definition
Associates	Associates stands as a collective term for all individuals working at all the levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, volunteers, service providers, seconded staff, casual workers and agency staff, agents, or any other person associated with the Consocia Entities or their Associates, wherever located.
Business Partner	Business Partner is a collective term used for Consultants, vendors, contractors, agents, intermediaries, API manufacturers etc. and Associates of such third parties with whom Consocia Entities enters into contract(s).
Consocia Entities	Consocia Entities stands as a collective term for Consocia Advisory Pvt. Ltd. and all its affiliates across the globe.
Bribery	"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. Bribery includes any attempt to do any of the foregoing as well. Bribes are payments made in the form of money or anything else of value in return for a business favour or advantage.
Government Officials	Government Official means any of the following: (i) Official (elected, appointed, or career) or Associate of a federal, national, state, provincial, local, or municipal government (or federal) or any department, agency, or subdivision thereof; (ii) Officer or Associate of a federal-owned or controlled enterprise or an organisation (e.g., a Health Care Professional practicing at a federal-owned or - controlled hospital or clinic); (iii) Officer or Associate of a public international organisation (e.g., UN, WorldBank, EU, WTO, NATO); (iv) Individual acting for or representing federal or any of the Organisations referred to above, even if he/she may not be an Associate of such federal organisation; (v) Individual who is considered to be a Government Official under applicable local law. In many countries, particularly those in which the Government owns or controls many healthcare providers and pharmacies, virtually all HCPs may be considered Government Officials under the applicable Anti-bribery and Anti- Corruption Laws.; (vii) Candidate for political office; (ix) Official of a political party; and (x) Family member of any of the Government Officials described in this definition.
Facilitation Payments	Facilitation payments are unofficial payments made to secure or expedite a routine government action by a government official.
Kickbacks	Kickbacks are typically payments made in return for a business favour or advantage.



Potentially Influencing Government Official (“PIGO”)	A Potentially Influencing Government Official (“PIGO”) is an individual who is either: a) connected to a Key Decision Making Entity (“KDME”) as a member of its management or governance body, as an Associate, or as a consultant, or b) in a position where he or she could make a decision that will significantly impact Cipla’s business, other than, if applicable, merely as a practicing HCP.
Cross Border Transactions	Cross-border transactions are any interactions or transactions involving a Government Official or HCP where: An Associate is in a country other than the home country of the Government Official or HCP, or The interaction or transaction is reasonably expected to occur in a country other than the home country of the Government Official or HCP.

Acronym	Full form
FCPA	Foreign Corrupt Practices Act
GOs	Government Officials
KDMEs	Key Decision Making Entities
PIGO	Potentially Influencing Government Official

Sr. No.	Reference	Document / Link
1	A Resource Guide to the U.S. Foreign Corrupt Practices Act	 FCPA ABAC Guide
2	UK Bribery Act Guidance Note	 UK Bribery Act Guidance Note
3	India’s Prevention of Corruption Act, 1988 Guide	 India's PCA 1988 Guide