

	Policy	Reference no.	Issue date	Current Ver.	Last rev. date
	Anti-Bribery and Anti-Corruption Policy	Varroc/HR/2023-24/003	07.02.2024	01	-

POLICY STATEMENT This Anti-Bribery and Anti-Corruption Policy (the ‘Policy’ or ‘ABAC Policy’) provides a framework for ensuring compliance with legislations governing bribery and corruption globally.

Varroc Engineering Ltd. (‘Varroc’ or ‘We’) practices a zero-tolerance approach to bribery and corruption. Varroc is committed to act with integrity. As part of this commitment, any form of bribery and corruption is not acceptable.

In each of the jurisdictions where we operate, Stakeholders are expected to follow the ABAC Policy or the applicable laws around bribery and corruption, whichever is stricter. No Stakeholder can waive compliance with the Policy.

This Policy should be read in conjunction with the Code of Conduct.

PURPOSE The purpose of this Policy is to set out responsibilities of Stakeholders and provide guidance on dealings that could pose threat of bribery and corruption, with government and nongovernment organisations and individuals. We are committed to act professionally and fairly in all our business dealings and in implementing effective systems to counter bribery and corruption in any form.

APPLICABILITY This policy applies to all individuals working for Varroc, its subsidiaries, joint ventures and affiliates anywhere in the world (collectively referred to as the "Company") and at all levels and grades. This includes senior managers, officers, directors, employees (whether regular, fixed-term or temporary), consultants, contractors, trainees, seconded staff, home-workers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries, joint ventures or their employees wherever located (collectively referred to as "**stakeholders**" in this policy).

In this policy, **third party** means any individual or organisation that a stakeholder may come into contact with during the course of his/her engagement with the Company, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, business associates, government, non-government organizations and public bodies including their advisors, representatives and officials, politicians and political parties.

FORMS OF BRIBERY THAT POSE THE GREATEST RISK

There are numerous forms of bribery and corrupt practice, but the following areas pose the greatest risk:

- A. **Engaging Third Parties** Varroc engages multiple third parties to act on its behalf including vendors, liaison agents, consultants to interact with government authorities etc. Every Stakeholder appointed to act on behalf of Varroc must be selected on the basis of their commercial and technical expertise. Stakeholders are prohibited from fulfilling any corrupt offer, request, demand or promise for payment to be made or received directly or through any third party. Further, margins, trade discounts or other incentives paid to third parties engaged by Varroc must be always be bona fide, reasonable and on market terms.
- B. **Gifts, Hospitality and Business Promotion Expenses** Stakeholders shall not accept or offer gifts to any Government official or any private person. This policy does not prohibit normal business hospitality, so long as it is reasonable, appropriate, modest, and bona fide corporate hospitality, and if its purpose is to improve our company image, present our products and services, or establish cordial relations.

Gifts and Hospitality:

- **Must be duly approved.** Normal business hospitality must always be approved at the appropriate level of Company management.

Approved and adopted by the Board of Directors of Varroc Engineering Limited on February 7, 2024.

- **Must not be intended to improperly influence.** Stakeholder should always assess the purpose behind any hospitality or entertainment. Hospitality or entertainment with the intention of improperly influencing anyone's decision-making or objectivity, or making the recipient feel unduly obligated in any way, should never be offered or received. Stakeholder should always consider how the recipient is likely to view the hospitality. Similarly, stakeholder must also decline any invitation or offer of hospitality or entertainment when made with the actual or apparent intent to influence their decisions.
 - **Must not have the appearance of improper influence.** Gifts can in some cases influence, or appear to influence decision-making. No gift should be given or accepted if it could reasonably be seen improperly to influence the decision-making of the recipient.
 - **Modest promotional gifts are permitted.** It is acceptable to offer modest promotional materials to contacts e.g. branded pens. Use of one's position with the Company to solicit a gift of any kind is not acceptable. However, the Company allows associates occasionally to receive unsolicited gifts of a very low intrinsic value from business contacts provided the gift is given unconditionally and not in a manner that could influence any decision-making process.
 - **Personal payment does not cure.** Stakeholder may never pay on their personal account for gifts or hospitality in order to avoid this policy.
- C. **Political Contributions** We are committed to not supporting any specific political party or having any political affiliation. No contribution shall be made by stakeholders on behalf of Varroc either directly or indirectly to any political party or for any political purpose without the prior approval of the Board of Directors. No stakeholder shall use their job title or affiliation with Varroc in connection with political activities.
- D. **Charitable contributions and sponsorships** Varroc shall ensure that charitable contributions and sponsorships are not used as a vehicle for bribery or corruption. Any such charitable contribution/sponsorship must be subject to Due Diligence. Also, we shall publicly disclose all our charitable contributions and sponsorships and ensure that all such transactions are legal and ethical under local laws and practices. Stakeholders may make donations and charitable contributions in their personal capacity, provided they are legal and ethical and not used as schemes to conceal any bribery or other corrupt practice.
- E. **Facilitation payments** We prohibit facilitation or grease payments of any kind. It is also our policy that we work to ensure that our stakeholders do not make facilitation payments on our behalf.
- F. **Kickbacks** The Company prohibits making or accepting, facilitation payments or "kickbacks" of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine action by an official.
- G. **Employing/ Engaging Public Officials** Any employment or engagement of former public officials or their relatives by Varroc requires a thorough background check of the individual. In addition to the above, any such relationship requires pre-approval of CMD.

GETTING HELP Employees shall notify their Line Manager or consult senior management as soon as possible if they have a reason to believe or suspect, that a breach of this Policy has occurred or may occur in the future.

RECORD-KEEPING Varroc's books and records shall be fair and accurate and reasonably detailed. We shall keep financial records and have appropriate internal controls in place, which shall evidence the business reason for making payments to third parties. All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, shall be prepared and maintained with strict accuracy and completeness. Also, such records must be submitted for periodic evaluation to respective authority in accordance with Varroc's authority matrix. No accounts shall be kept off-book to facilitate or conceal improper payments.

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WHISTLE-BLOWER POLICY Stakeholders who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. Varroc shall not tolerate retaliation in any form against anyone for raising concerns or reporting what they genuinely believe to be improper, unethical, or inappropriate behaviour. All reports shall be treated confidentially. For more information, please refer to the Whistle-blower Policy.

ENFORCEMENT - DISCIPLINARY APPROACH Varroc's ABAC Policy shall be promoted and enforced consistently amongst stakeholders with clear and consistent disciplinary consequences to anyone who violates the Policy. We reserve the right to terminate a contractual relationship with any stakeholder if they breach this Policy. Failure to ensure compliance with this ABAC Policy could lead to serious consequences for stakeholders, including but not limited to:

- Dismissal/ termination of employment
- Termination of business relationship
- Reputational damage
- Reporting to regulatory authorities
- Conviction of offender under the applicable laws and regulations
- Personal criminal liability including fines and/ or imprisonment under applicable laws.

Stakeholders may be required to give an annual declaration confirming their compliance with this Policy.