

TRL KROSAKI REFRACTORIES LIMITED

Policy for Receipt of Gifts and Hospitality

1. Introduction

The Company has adopted Tata Code of Conduct (TCoC) to practise good corporate governance. Our collective adherence to these guidelines represents our promise to ourselves and to many stakeholders of the Company. Each employee of the Company is responsible to ensure that his or her behaviour and actions, both individual and collective, stay aligned to these values.

Business gifts and hospitality are occasionally used in the course of business activity as a means to build goodwill and strengthen working relationships among business associates. However, if gifts or hospitality (including entertainment or travel) are frequent or of substantial value, they may create the perception of, or an actual conflict of interest or 'illicit payment'. Therefore, gifts and hospitality given or received should be modest in value and appropriate.

The Company has adopted this policy to help its employees take the right decisions when they are offered gifts or hospitality while conducting business or official transactions on behalf of the Company.

2. Definitions

- a. "**Business associate**" includes suppliers, customers, vendors, dealers, distributors, franchisees, lessors, lessees or such other persons with whom the Company has any business or transactional dealings.
- b. "**Code**" means the Code of Conduct adopted by the Company.
- c. "**Company**" means TRL Krosaki Refractories Limited.
- d. "**Conflict of Interest**" can occur when personal interest, relationships or outside activities of an employee might interfere or appear to interfere with his/her ability to objectively perform his / her job in the best interest of the company.
- e. "**Employee**" means every officer of the Company, whether working in India or abroad.
- f. "**Facilitation payment**" is a payment made to secure or speed up routine legal government actions, such as issuing permits or releasing goods held in customs.
- g. "**Gift**" includes any gratuitous non-monetary benefit which can be used or consumed.
- h. "**Hospitality**" includes any form of travel, hotel, food, drinks, entertainment or any events (participating or watching) such as sporting events, theatrical events, awards or ceremonies.
- i. "**Officer**" means employees who belong to KW-1 to KW-4 category.

3. Policy

3.1. Accepting Gifts

Employees must be very careful when it comes to accepting gifts. However, they may accept a gift from a business associate, only if such gift has modest value and does not create a perception (or an implied obligation) that the giver is entitled to preferential treatment of any kind and provided that such a gift is:

- (a) Exchanged during festivals or other ceremonial occasions, commensurate with the culture and occasion and is limited to flowers, sweets or any other eatables,
- (b) Exchanged during New Year; articles of office use like stationeries, desk accessories with logo of the donor Company,
- (c) Received at an event of a ceremonial nature (e.g., a customer outing or in honour of a business transaction) and is impractical or offensive to refuse,

Any gift other than mentioned above needs to be returned to the donor with a timely and appropriate note explaining to the gift donor the rationale for returning the gift.

All accepted gifts (other than 1a and 1b) irrespective of value are to be reported to the recipient's Departmental Head and Ethics Counsellor. This should be done by disclosing in the Gift Register available on the Company's intranet. Gift should be deposited in the office of Ethics Counsellor; records of such gifts should be maintained in the Gift Register.

The following gifts are never appropriate and should never be given or accepted:

- (a) Gifts of cash or gold or other precious metals, gems or stones;
- (b) Gifts that are prohibited under applicable law;
- (c) Gifts in the nature of a bribe, payoff, kickback or facilitation payment,
- (d) Gifts that are prohibited by the gift giver's or recipient's organization,
- (e) Gifts in the form of services or other non-cash benefit (e.g., a promise of employment).

3.2. Accepting hospitality

Business hospitality (e.g., meals, tickets to a theatre or a sporting event) may be provided to strengthen working relationships among business associates. However, hospitality applies to situations in which the host is present. Tickets to sporting or cultural events provided to the employees of the Company and not attended by the host are essentially "gifts" and not "hospitality" and hence should be dealt in accordance with the gift guidelines specified above.

The following is never appropriate and such hospitality should never be accepted:

- (a) Hospitality that can be viewed as creating any affiliation of the Company or Tata brand with any particular political party;

- (b) Interaction in locations / establishments generally not recognised as appropriate for the conduct of business.
- (c) Interactions in adult entertainment clubs or at adult / inappropriate events are expressly prohibited.

Employees should consult their Departmental Head or Ethics Counsellor when in doubt as to whether an event, location or expenditure is appropriate or not.

3.3. Travel (Other than normal company business travel)

It is acknowledged that hosting business associates at our premises to promote our business interests and reciprocal visits to our business associates are an important aspect of our business relationships. However, in addition to the guidance on appropriateness of hospitality received, one should also consider the guidelines below in the case of promotional trips:

- (a) Daily allowances, cash advances or cash payments of any nature must not be accepted from the business associate for such trips;
- (b) No airline travel, whether domestic or international, is to be accepted from a business associate;
- (c) No overnight accommodation is to be accepted from a business associate;
- (d) In circumstances where participation in a vendor-supported event is deemed necessary for a business and bulk booking arrangements are made by the vendor for travel and/or accommodation, the pro-rata costs should either be reimbursed to the vendor or preferably paid directly to the provider of travel and/or accommodation.

Ideally, family members or persons not directly related to the relevant business project should not join these trips/events. However, if they do attend, their expenses should be fully paid for by the concerned employee and not paid or reimbursed by the Company, or the business associate. Moreover, such instances of travel should be informed to the Departmental Head and Ethics Counsellor prior to travel to ensure transparency through disclosure.

Any exception to the above should have a specific approval of respective Direct Reportee of Managing Director and should be declared in the Gift Register.

4. Deployment Effectiveness

Implementation of this policy would be measured through compliance and disclosure in the Gift Register.

All gifts (other than 1a and 1b), donations and entertainment received by any employee of the Company should be disclosed in the online Gift Register along with the context / business purpose of the gift, reason for accepting, whether the gift been deposited with Ethics Counsellor.

Employees should consult the Ethics Counsellor when in doubt as to whether a gift, hospitality or travel is appropriate or not.

Employees must never ask for any gift that benefits them personally, regardless of value.

This policy applies to all employees of the Company and its associate companies. If stricter norms are prescribed under any applicable law with respect to gifts and hospitality, then, employees shall comply with such stricter norms.

Date: 01.02.2016

(P. B. Panda)
Managing Director