

# DEFINITION GUIDE

## Stakeholder:

'Stakeholder' includes employee, trainee, indirect employee, director, consultant, vendor, supplier, dealer, distributor, franchisee or any other person working for or on behalf of the Company.

## Related Party:

Parties are considered to be related if at any time one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

### 'Control'

- Ownership, directly or indirectly, of more than one half of the voting power of an enterprise, or
- Control of the composition of the Board of Directors in the case of a Company, or of the composition of the corresponding governing body in case of any other enterprise, or
- Holder of substantial interest in voting power and the power to direct, by statute or agreement, the financial and/or operating policies of the enterprise.

### 'Significant influence'

Participation in the financial and/or operating policy decisions of an enterprise, but not control of those policies.

## Relative:

'Relative', in general shall mean individual, Company, associate or firm with whom we, either directly or indirectly, may have a relation or interest, which can influence or even appear to influence our decisions made on behalf of Mahindra.

An illustrative list of relatives with reference to people is given below.

- Members of a Hindu Undivided Family;
- Any person deriving >50% of their subsistence from the Company's employee.
- Related by blood or by marriage (or similar informal relationship), notably a spouse, intimate partners outside the family unit or a child (including step or adopted);
- Any person who has lived with you for the past 12 months or more.

The above list is not exhaustive and is given just as an example.

## Bribery & Corruption:

'Bribe' refers to offering, promising, giving, accepting or soliciting directly or indirectly anything of value, including money, gifts and entertainment, other business courtesies, hospitality, or personal gratification given, offered, or received in violation of applicable law to an individual, a government official or an employee of a commercial enterprise for the purpose of obtaining or retaining business, to win a business advantage, or to influence a decision regarding Mahindra, obtaining licenses or regulatory approvals, preventing negative government actions, reducing taxes, avoiding duties or custom fees, or blocking a competitor from bidding on business.

'Corruption' is dishonest behaviour by those in positions of power, such as managers or Government Officials.

Corruption can include giving or accepting bribes or inappropriate gifts, under-the-table payments, diverting funds, laundering money and defrauding investors.

## Facilitation Payments and Kickbacks:

'Facilitation Payments' are small expediting or 'grease' payments made to government officials to facilitate or expedite the performance of a routine, non-discretionary governmental action that a government official is already obligated to perform, such as issuing certain permits, licenses, visas and mail. Facilitation payments do not include any decision by a government official towards:

- Awarding new business;
- Continuing business with a company;
- Securing an advantage with respect to a discretionary approval / licenses.

'Kickback' is a form of negotiated bribery in which a commission is paid to the bribe-taker as a quid pro quo for services rendered. Generally, the remuneration (money, goods, or services handed over) is negotiated ahead of time. Kickback varies from other kinds of bribes in that there is implied collusion between two parties or their agents, rather than one party extorting the bribe from the other. The purpose of kickback is usually to encourage the other party to cooperate in the illegal scheme.



## Gifts & Entertainment:

'Gifts & Entertainment' include anything of value offered / received by an individual either directly or indirectly for the purpose of expressing gratitude.

Direct / indirect refers to offerings made to an employee directly or via an offer to a relative or close associates.

Gift includes cash and non-cash items, However, this does not include reasonable expenditure incurred on account of routine business courtesies offered to or received by any business partner as a customary trade practice (e.g. providing reasonable transportation, meals, accommodation, etc.)

## Anything of Value:

'Anything of Value' includes but is not limited to:

- Cash or cash equivalents including in the form of gifts or prizes (e.g. gift vouchers, etc);
- Artwork, watches, jewellery, equipment;
- Bullions or jewellery including gold or silver or any other precious metals in any form;
- Political or charitable donations;
- Offers for employment / promises for future employment (to an individual or any of his/her relatives);
- Favourable terms on a product or service or product discounts;
- Entertainment / hospitality (payment of travel, hotel or restaurant bills, living expenses, or costs of trips or resort stays);
- Use of vehicles or vacation homes;
- Discounted or free tickets to events;

- Services, personal favours or home improvements;
- Sponsorships;
- Sexual favours / Adult entertainment;
- Stocks or other securities;
- Opportunity to buy direct shares ("friends and family shares") in a company having any connection with Mahindra.

## Fraud:

'Fraud' in relation to affairs of a Company or any corporate body includes any act, omission, concealment of any fact or abuse of position committed by any person directly or with connivance of any other person in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of the Company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss.

'Wrongful gain' means the gain by unlawful means of property to which the person gaining is not legally entitled.

'Wrongful loss' means the loss of property caused to a person by unlawful means to which the person losing is legally entitled.

## Personally Identifiable Information ('PII'):

'PII' is defined as any information that identifies an individual, directly or indirectly, by reference to an online or offline identifier such as a name, physical address, email address, an identification number, photo, video or any combination of that information.

## Intellectual Property:

'Intellectual Property' includes any Company owned information like patented inventions, designs, copyright materials, trademarks and service marks, trade secrets and know-how, sales, marketing and other corporate databases, marketing strategies and plans, research and technical data, business ideas, processes, proposals or strategies, new product and/or package design, and development software bought or developed by the Company, or information used in trading activities including pricing, marketing, and customer strategies.

## Harassment:

'Harassment' is behaviour that creates an offensive, intimidating, humiliating, or hostile work environment. Harassment may be physical or verbal and may be done in person or by other physical or electronic means like messages or emails.

## Third Party:

'Third Party' means any individual or organisation who has business dealings with the Company and includes actual and potential business associates, customers, contractors, subcontractors, business partners, suppliers, distributors, business contacts, agents, technical and other consultants and government bodies and officials or any other person associated with or acting on behalf of the Company.

## Sensitive Information:

'Sensitive Information' can include legal agreements, technical specifications, or any other information which is unlikely to be publicly known and may have commercial value.

## Line Manager:

'Line Manager' means an employee's reporting manager/ supervisor who is at the level of at least a Vice President of the function or above. For employees who are at the level of Vice President or above, their immediate reporting manager will be considered as the 'Line Manager' for this purpose.

## Close Associates:

'Close Associates' includes certain types of relationships like members of the same political party, civil organisation, labour or employee union; business partners or associates, especially those that share (beneficial) ownership of legal entities, or who are otherwise connected (e.g. through joint membership of a company board). In the case of personal relationships, the social, economic, and cultural context may also play a role in determining how close those relationships generally are.

## Government / Public Official:

'Government / Public Official' shall include:

- An officer or employee, regardless of rank, of any national, provincial, regional or local government agency or department (whether domestic or foreign), including but not limited to police agencies, customs officials, local tax officials, issuers of government permits, approvals or licenses and/or immigration officials;
- An officer or employee of any company, business or commercial enterprise or entity that is owned or controlled in whole or in part by any government;
- A political candidate or a political party or any officer or employee of a political party;
- Members of the royal family;
- Elected officials;

- An officer or employee of a public (quasi-governmental) international organization (such as the United Nations, World Bank, International Monetary Fund, International Olympic Committee etc.);
- Any private person acting in an official capacity for or on behalf of any government or public international organization (an official advisor to the government or a consultant responsible for making procurement recommendations to a government);
- Spouses, family members / relatives of any of the individuals specified above.

## Government / Public Entity:

Any agency, instrumentality, sub-division or other body of any national, state or local government including government committees or commissions and regulatory agencies or government-controlled businesses, corporations, companies or societies.

Even if a Company is not wholly owned by the State, it may be considered an "instrumentality" of a government if the government exercises substantial control over the Company. State-owned banks, power companies, utilities, universities, banks and hospitals are examples of government instrumentalities.

It includes public entities like:

- a. municipal state, regional or national government entity or agency thereof;
- b. an entity that is wholly or partially owned by a government agency, such as a public hospital;
- c. a public international organization

## Money Laundering:

- i. 'Money Laundering' means any process or activity connected with the proceeds of crime including its concealment, possession, acquisition or use and projecting or claiming it as untainted property.
- ii. Money laundering and corruption are linked inextricably since the presence of one tends to reinforce the other.

## Due Diligence:

'Due Diligence' refers to the care and caution to be exercised while taking reasonable steps in relation to a business activity to secure the best interest of the company without making mistakes and committing an offence

## Confidential Information:

- Collectively refers to all non-public information or material disclosed or provided by one party to the other, either orally or in writing, or
- Obtained by the recipient party from a third party or any other source, concerning any aspect of the business or affairs of the other party or its "affiliates", including without limitation:
  - any information or material pertaining to products, formulae, specifications, designs, processes, plans, policies, procedures, employees, work conditions, legal and regulatory affairs, assets, inventory, discoveries, trademarks, patents, manufacturing, packaging, distribution, sales, marketing, expenses, financial statements and data, customer and supplier lists, raw materials.
  - any notes, analyses, compilations, studies or other material or documents prepared by the recipient party which contain, reflect, or are based, in whole or in part, on the Confidential Information.

