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Circular

Conflict Of Interest Policy For Employees

Introduction

The Conflict of Interest Policy establishes guidelines governing conflict of interest matters related to employees, to avoid compliance risk and misconduct.

The **conflict of interest** clauses guide us to act in the interest of the company and avoid situations that could exploit our professional status for personal benefits.

Our employees shall always act in the interest of the company. They should ensure that any business or personal association which they may have, does not create a conflict of interest, with their roles and duties in the company or it's operations including the Tata Steel group companies.

Definitions

**Business associate:** It includes suppliers, customers, vendors, dealers, distributors, franchisees, lessors, lessees or other such persons with whom Tata Steel has any business or transactional dealings

**Competent authority:** In case of all employees the competent authority would be designated superior not below the Head of the department.

**Conflict of Interest:** A conflict of interest could be any known transaction, relationship or service engaged by an employee, his/her immediate family/relatives, which may cause concern (based upon an objective determination) that the employee could not or might not be able to fairly perform his/her duties to the company.

**Immediate family members/relatives:** It includes mother, father, son, daughter, son-in-law, daughter-in-law, brother, sister, brother-in-law and sister-in-law or immediate family members of spouse like mother-in-law, father-in-law, brother-in-law and sister-in-law.

Clauses of Conflict of interest

Conflict of interest includes situations:

- Where an employee's private affairs or financial interests are in conflict with his/her work duties, responsibilities and obligations, or results in a perception that a conflict exists.
- That could impair the employee's ability to act in the Company's interest.
- Where the actions of an employee would compromise or undermine the trust of stakeholders.

A conflict of interest, actual or potential, arises where, directly or indirectly an employee:

- a) proposes to engage in a personal business transaction or a personal relationship with the business associates of our Company;
- b) is offered/derives undue benefit, personally or for any Immediate family member, by making or influencing decisions relating to any transaction;

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- c) is in a position to influence a decision with regard to the company's business with a business associate where an Immediate family member/relative is a proprietor/ director/ partner or representative;
- d) is in a position to influence decisions with regard to award of benefits such as increase in salary or other remuneration, posting, promotion or recruitment of an Immediate family member/relative employed in the company;

**Conflict of Interest declaration**

1. The declaration is mandatory for all employees even if there is no conflict of interest. All employees shall declare conflict of interest or no conflict of interest either online or in a prescribed form to the competent authority every financial year. Declarations with conflict of interest will be sent to the competent authority for approval.
2. The competent authority shall revert to the employee within a reasonable time, so as to enable the concerned employee to take necessary action as advised to resolve or avoid the conflict in an expeditious manner
3. In case there is any change in actual or potential conflicts of interest, the concerned person must immediately declare such conflicts and seek approval from competent authority.

Employee must be fair and transparent in all of their dealings on behalf of the Company and not accept personal gifts or hospitality from those doing business or seeking to do business with the Company. Refer to the Gift and Hospitality Policy.

Employees are required to consult with their superiors and/or Ethics Counsellor whenever they have any question/dilemma as to whether a particular circumstance may place them in a conflict of interest situation. Refer to the Annexure-1(Possible dilemma situations and guidelines).

Persons who fail to comply with these standards during the course of their employment will be subject to appropriate disciplinary action.

This policy applies to all employees of Tata Steel India Ltd and its' associate companies. If stricter norms are prescribed under any applicable law with respect to conflict of interest, then, employees shall comply with such stricter norms.

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## Annexure -1: Possible dilemma situations and guidelines

| Sl No                             | Possible Dilemma Situation  | Recommendation   |
|-----------------------------------|---|--|
| <b>Misuse of Company facility</b> |   |  |
| 1                                 | Tuition/ coaching by employee/immediate family/relative at company provided/ leased accommodation.  | For Employees: Permissible for social purposes (gratis)<br>For immediate family/relative: Permissible, as long as it does not create inconvenience to the neighbors  |
| 2                                 | Any other job like (painting class/ dance class/ singing class) by employee/immediate family/ relative in the company provided/ leased accommodation. | For Employees: Permissible for social purposes (gratis)<br>For immediate family/relative: Permissible, as long as it does not create inconvenience to the neighbors. |
| 3                                 | Running consultancy by employee/immediate family/ relative from the company provided/ leased accommodation.   | For Employees: Permissible for social purposes (gratis)<br>For immediate family/relative: Permissible, as long as it does not create inconvenience to the neighbors  |
| 4                                 | Running a Boutique/ Tailoring / beauty parlor, etc.) by employee/ immediate family/ relative in the company provided/ leased accommodation.           | For Employees: Not allowed<br>For immediate family/relative: Permissible, as long as it does not create inconvenience to the neighbors.                              |
| 5                                 | External tutor teaching a group of students which includes the employees' own family members at the company provided/ leased accommodation.           | Permissible, as long as it does not create inconvenience to the neighbors.   |
| <b>Concurrent employment</b>      |   |  |
| 1                                 | Tuition/ coaching by the employee (not in the company provided/ leased accommodation).  | Employee for social purposes (gratis) is ok  |
| 2                                 | Running a business after office hours like selling garments, painting/singing/dancing classes.  | Not allowed  |
| 3                                 | Giving consultancy during off duty hours to any other entity.   | Not allowed  |
| 4                                 | Being an agent (LIC,AIG) by employee beyond office hours  | Not allowed  |
| 5                                 | Working as an invigilator /faculty for other institution during off duty hours  | Allowed with prior permission*   |
| 6                                 | Employees sitting in a family owned shop/business.  | Allowed without any remuneration   |
| 7                                 | Lectures in prestigious institutes and colleges   | Allowed with prior permission*   |

## Annexure -1: Possible dilemma situations and guidelines

| SI No | Possible Dilemma Situation   | Recommendation                 |
|-------|--|--------------------------------|
|       | <b>Conflict Of Interest</b>  |                                |
| 1     | Teaching assignment with an Institute having business relationship with the company (Viz. NTTF)            | Allowed with prior permission* |
| 2     | Relatives (parents and child or siblings or spouse etc.) working in the same business unit of the company. | Allowed after declaration.     |
| 3     | Participating in the talent review/ interview panel/ selection process of relatives                        | Not allowed                    |

\*Process for prior permission will be as follows:

- i) Employees shall take prior approval through "Darpan" the online ethics compliance register.
- ii) Letter from the institution with details of remuneration should be attached in the on-line system.
- iii) For local institutions and organizations, no lectures shall be taken during office hours.
- iv) For outstation institutions and organizations, employee can take special leave. However, it will not be treated as company business.
- v) Approval for the above (iv) leave shall be taken through the IT system for leave request, with special leave code created for teaching assignments.
- vi) Remuneration can be in the form of voucher or cheque, no cash to be received. Recipient will be permitted to retain the full amount received, if prior permission is taken from the competent authority. It has to be declared to the Ethics Counselor through "Darpan" the ethics compliance register.
- vii) This excludes request for delivering talks in seminars on behalf of the company.