

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 its operations

Definitions

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

Competent authority: In case of all employees the competent authority would be, Chief Ethics Counsellor or Local Ethics Counsellor.

Conflict of Interest: A conflict of interest could be any known transaction, relationship or service engaged by an employee or a person with whom he/she has close personal relations including 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.

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 person with whom he/she has close personal relationship, by making or influencing decisions relating to any transaction;
- c) is in a position to influence a decision with regard to the company's business with a business associate where person with whom he/she has close personal relationship 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 a person with whom he/she has close personal relationship, 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 Managing Director for approval. The declaration made by the Managing Director will be sent to the Board 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 the competent authority 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.



Sandeep Kumar

Managing Director

Annexure -1: Possible dilemma situations and guidelines

SI	Possible Dilemma Situation	Recommendation
Misuse of Company facility		
1	Tuition/ coaching by employee/immediate family/relative at company provided/ leased accommodation.	For Employees: Permissible for social purposes (gratis) 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) 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) 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 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.
Concurrent employment		
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 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 during off duty hours	Allowed without any remuneration
7	Lectures in prestigious institutes and colleges	Allowed with prior permission*
8	Participating/ performing in any act like singing/ dancing/ playing instruments/ elocution/ recitation/ dramatics/ theatre	Allowed. Any financial gain to the employee to be reported to the CEC.
9	Participating in debate/ discussion/ discourse in stage/ electronic media/ any other social platform	Allowed. Any financial gain to the employee to be reported to the CEC.
10.	Practicing photography/ painting/ handicraft and participating in exhibitions whether real or virtual over an e- Platform.	Allowed. Any financial gain to the employee to be reported to the CEC.
SI	Possible Dilemma Situation	Recommendation
Conflict Of Interest		
1	Teaching assignment with an Institute having business relationship with the company	Allowed with prior permission*
2	Persons with whom you have close personal relationships (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 persons with whom you have close personal relationships.	Not allowed

*Process for prior permission will be as follows:

- i) Employees shall take prior approval through Email from the Head of Department & the Ethics Counsellor.
- ii) Letter from the institution with details of remuneration should be attached.
- iii) For local institutions and organizations, no lectures shall be taken during office hours.
- iv) For outstation institutions and organizations, employee can take personal 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,.
 - 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.
 - vii) This excludes request for delivering talks in seminars on behalf of the company.