



GARUD SECURITIES

Anti-Corruption Anti-Bribery Policy

1. INTRODUCTION

Garud Securities is committed to conducting its business in accordance with all applicable laws, rules and regulations and the highest ethical standards, and this commitment is embodied in the Code of Business Conduct. The purpose of this Anti-Bribery and Anti-Corruption Policy is to reiterate Garud Securities' commitment to full compliance by the Company, its management and employees to any local anti-bribery or anti-corruption laws that may be applicable. This Policy supplements the Code of Business Conduct and all applicable laws.

2. SCOPE

This Policy is applicable to every employee of Garud Securities, including board of directors, senior management and financial officers. This Policy is intended to supplement all applicable laws, rules, and other corporate policies. It is not intended to replace any local laws.

3. DEFINITION

Corruption is the misuse of power for private profit, or the misuse of entrusted power for private gain. Bribery is the offer, promise, or payment of cash, gifts, or even excessive entertainment, or an inducement of any kind offered or given to a person in a position of trust to influence that person's views or conduct or to obtain an improper advantage. Bribery and corruption can take many forms, including the provision or acceptance of:

- Cash payments;
- Phony jobs or "consulting" relationships;
- Kickbacks;
- Facilitations Payment
- Political contributions;
- Charitable contributions;
- Social benefits; or
- Gifts, travel, hospitality, and reimbursement of expenses.

4. POLICY REQUIREMENT

Bribery occurs when an employee offers, pays, seeks or accepts a payment, gift or favour to influence a business outcome improperly. Bribery and corruption – whether involving government officials or commercial entities – can be direct or indirect through third parties like agents and partners. The general principle to be applied by Garud Securities is that no personal payment, gift or favour shall be offered, paid, sought or accepted in return for favourable treatment to influence a business outcome or to gain any business advantage.

The aim is that all company personnel and third parties should fully understand that bribery and corruption are unacceptable.

4.1 Bribes and Kickbacks

The company does not take part in acts of corruption, or pay bribes or receive kickbacks either directly or indirectly. The company prohibits its employees from engaging in acts of corruption, and from paying bribes or kickbacks to, or accepting bribes or kickbacks from, public officials and private individuals such as the personnel of companies with which the company does business.

It is the responsibility of all employees who are involved at any time in engaging the services of external consultants, suppliers or advisers to ensure that such individuals are made aware of the content of the company's Anti-Bribery and Anti-Corruption policy at the outset of the relationship and on a regular basis thereafter.

4.2 Facilitations Payment

The company and its employees will not make facilitation payments. The company accepts that refusal to make illicit payments may lead to commercial delays, for example, in the processing of government papers, and that there may be a commercial cost to the company attributable to this policy.

4.3 Public Officials

Bribing or corrupting a public official is a serious offence can carry severe penalties and can cause significant reputational damage. This policy provides detailed guidelines on gifts and hospitality. Approval must be secured in advance in relation to gifts or benefits received from or offered to public officials, particularly the giving of anything of value to a public official. All such offers and offers of jobs/internship to government officials or employees of state-owned enterprises must be approved in advance by chief executive.

4.3 Gifts, Hospitality and Expenses

Company employees may not offer to, or accept from, third parties, gifts, hospitality, rewards, benefits or other incentives that could affect either party's impartiality, influence a business decision or lead to the improper performance of an official duty. Similarly, they may not offer or accept cash donations.

Company employees may offer and accept 'reasonable' and 'proportionate' gifts and entertainment, such as dinner, and corporate gifts. In determining what is 'reasonable' and 'proportionate', employees should consider the value of the gift or benefit (see below), as well as the frequency with which the same or similar gift or benefit is offered. In all cases they must ensure that the gift or benefit:

- is being given as an expression of goodwill and not in expectation of a return favour (a gift designed to secure a return favour could be seen as a bribe).
- is commensurate with generally accepted standards for hospitality taking into account the norms for the industry/professional sector in which it is offered.
- is being provided openly and transparently, and is of a nature that will not cause the company embarrassment if publicly reported.
- meets the value limits set by the company and has all required approvals. In cases of uncertainty, employees must seek advice from their line managers.

Employees will seek prior approval through their line managers with the chief executive for all gifts or benefits received or offered with a value of more than NPR 2,500 before final acceptance.

4.4 Conflict of Interest

Company employees must avoid situations or transactions in which their personal interests could conflict or might be seen to be in conflict with the interests of the company. This includes: acting on any client information gained through their employment with the company for personal gain; passing such information to a third party; or acting in any way that could be construed as insider trading.

Conflicts of interest can arise if individuals have a personal interest in business dealings involving the company. Personal interest can be direct or indirect, and refers not only to personal interests but to those of family members and friends. If there is a potential for conflict, the interests of the company must take priority. Employees must disclose any personal conflict of interest or perceived conflict to their line manager.

4.5 Charities and Donations

As part of its corporate activities, the company may support local charities or provide sponsorship. Any such sponsorship must be transparent and properly documented. The company will only provide donations to organisations that serve a legitimate public purpose, and which are themselves subject to high standards of transparency and accountability.

5. AUDIT & ACCOUNTS

Garud Securities require employees to keep accurate accounts throughout the company's operations. In no circumstances will Garud Securities keep parallel accounts.

6. WAIVER

There is no permitted deviation or waiver on this policy.

7. DISCIPLINARY ACTION

Any employee who violates the terms of this Policy will be subject to disciplinary action. Any employee who has direct knowledge of potential violations of this Policy but fails to report such potential violations to company management will be subject to disciplinary action. Any employee who misleads or hinders investigators inquiring into potential violations of this policy will be subject to disciplinary action. In all cases, disciplinary action may include termination of employment. Any third party agent who violates the terms of this Policy, who knows of and fails to report to Garud Securities management potential violations of this policy, or who misleads investigators making inquiries into potential violations of this policy, may have their contracts re-evaluated or terminated.

Date: 20th December, 2017

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