

SATYA MICROCAPITAL LIMITED

Anti-Bribery & Corruption Policy

Version 1.0

2023

Anti-Bribery and Corruption Policy

("ABC POLICY")

INTRODUCTION

This ABC Policy is to be read in conjunction with the MicroFinance Institutions Network's Code of Conduct and Code of Conduct for Board, KMP and SMP, Code of Conduct for Field Staff, wherever applicable, (the "Code") of the Company. The ABC Policy prescribes standards of professional and ethical conduct for all of the Company's directors, officers, and employees, as well as consultants and agents indirectly representing the Company (collectively, all to whom the ABC Policy applies are referred to throughout as the "Representatives").

Bribery is a criminal offence and SATYA does not tolerate bribery or corruption in any form. This policy extends to all SATYA's business relationships and applies in all jurisdictions in which we operate. Failing to recognize and avoid bribery and corruption risks can have a devastating impact on SATYA's reputation, business, and can create criminal and/or civil liability for SATYA and the individuals involved.

PURPOSE

The Company is committed to responsible operations conducted in accordance with all applicable laws, and a culture of honesty, integrity and accountability.

The Code and the ABC Policy set out the principles and policies all Representatives are expected to know and follow. Please should read the ABC Policy carefully. All Representatives must follow the ABC Policy, adhere to applicable laws and regulations, and avoid dishonest or corrupt conduct.

The ABC Policy sets out the standards which all Representatives are expected to follow when acting on the Company's behalf. All Representatives should be provided with or directed to a copy of the ABC Policy upon joining the Company, and periodically thereafter. All Representatives who are contracting parties and consultants of the Company should be provided with the ABC Policy and expressly agree to abide by the terms of the ABC Policy.

SCOPE

This policy applies to all individuals working at all levels and grades including Directors, senior managers, officers, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, casual workers and agency staff, volunteers, interns, agents, sponsors, business partners, and third-party representatives anywhere in the world, or any other person associated with us, wherever located who may be acting on behalf of SATYA.

BRIBERY AND CORRUPTION

Bribery refers to the act of offering, promising, giving, receiving, or soliciting anything of value to any person or entity, directly or indirectly, with the intention of corruptly or improperly obtaining

or retaining a business advantage.

Corruption refers to any form of abuse of entrusted power for private gain. Corruption includes, but is not limited to, bribery.

Bribery may be active (offering or promising to give anything of value) or passive (requesting, agreeing to receive or accepting anything of value) in nature if it is committed with the intention to induce the recipient to act improperly in the performance of his/her duties.

“A person does not have to accept the offer for Bribery to occur”

Example 1: Offering Bribe

You offer a potential client a ticket to a holiday abroad, but only if they agree to do business with us. In this case you would be committing an offence as you are making the offer to gain an improper commercial and contractual advantage. The Company may also be found to have committed an offence because the offer has been made improperly to obtain business for us. It may also be an offence for the potential customer to accept your offer.

Example 2: Receiving Bribe

A service provider gives your distant relative a job but makes it clear that in return they expect you to use your influence in the Company to ensure we continue to do business with them. It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain an improper personal advantage.

FORMS OF BRIBERY THAT POSE THE GREATEST RISK

There can be numerous types or forms of bribery and corrupt practices, but the following areas pose the greatest risk:

a. Gifts and Hospitality

This Policy recommends that all Employees assess the intention behind any gift or hospitality given or received. Gifts or Hospitality, with the intention of improperly influencing one's decision-making ability or making the recipient feel unduly obligated in any way, shall never be offered or received. The Company prohibits the offer or receipt of gifts or hospitality that are not reasonable and bona fide.

The giving or receipt of gifts or hospitality is not prohibited, if the following requirements are met:

- i) it is not made with the improper, quid pro quo intention of influencing a party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- ii) it complies with local law;
- iii) it is given in the name of the Company and not in the name of the employee;
- iv) it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- v) it is appropriate in the given circumstances and is reasonable and justifiable;

- vi) it considers the reason for the gift, it is of an appropriate type and value and given at an appropriate time;
- vii) it is given openly, not secretly; and
- viii) it is not offered to, or accepted from, government officials or employees, or politicians or political parties, without the prior approval of the Managing Director.

b. What is not acceptable?

It shall not be acceptable for any Employee to:

- i) give, promise to give, or offer, a thing of value with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- ii) give, promise to give, or offer, a thing of value to a government official, agent or employee to facilitate or expedite a routine procedure;
- iii) accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- iv) accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- v) threaten or retaliate against another employee who has refused to commit a bribery offense or who has raised concerns under this Policy; or
- vi) engage in any activity that might lead to a breach of this Policy.

c. Political Contributions

The Company upholds its commitment to not support any specific political party or have any political affiliation. No political contributions shall be made on behalf of the Company either directly or indirectly to any political party or for any political purpose without the prior approval of the Board of Directors. No employee shall use his job title or Company affiliation in connection with political activities.

d. Charitable contributions and sponsorships

The Company shall ensure that charitable contributions and sponsorships are not used as a vehicle for bribery. We shall publicly disclose all our charitable contributions and sponsorships and ensure that all such transactions are legal and ethical under local laws and practices.

e. Facilitation payments and Kickbacks

Facilitation payments are small expediting or grease payments made to Government Officials to facilitate or to 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.

A 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. The remuneration (money, goods or services handed over) is negotiated ahead of time. The kickback varies from other kinds of bribes in that there is implied collusion between agents of the two parties, 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.

The Company prohibits facilitation or grease payments or kickbacks of any kind, regardless of whether such payments are permitted under applicable law. It is also our policy that we work to ensure that our agents and other intermediaries, joint ventures and consortia, contractors and suppliers do not make facilitation payments or kickbacks on our behalf. If the demand is accompanied by immediate threat of physical harm or arrest then put safety first, make the payment and report immediately to the Senior Management the circumstances and amount of the payment.

GUIDING PRINCIPLES, POLICIES, AND PROCEDURES

- SATYA employees are strictly prohibited from offering, promising, giving or authorizing bribes, directly or indirectly, to anyone, for the purpose of improperly influencing a business decision. SATYA also prohibits its employees from soliciting, requesting, or accepting a bribe from anyone under any circumstances.
- SATYA employees are prohibited from encouraging SATYA's Business Partners or other third parties to engage in activity that is otherwise prohibited by this ABC Policy, the Business Partner Code of Conduct, or ABC laws in general.
- SATYA employees are expected to promptly report any suspected or known violation of this ABC Policy, the Business Partner Code of Conduct, or ABC Laws, to their legal representative, Compliance Officer, supervisor, human resources manager or greivance@satyamicrocapital.com.

PROHIBITED ACTIVITIES:

1. It is prohibited, directly or indirectly, for any staff or individual acting on behalf of SATYA to offer, give, request or accept any bribe (i.e. gifts with mala-fide intentions, loan, payment, reward or advantage, either in cash or any other form of inducement), to or from any person or company in order to gain commercial, contractual or regulatory advantage for SATYA, or in order to gain any personal advantage for an individual or anyone connected with the individual in a way that is unethical.
2. This policy requires employees and individuals whether acting or not on behalf of SATYA.
3. Not to offer, promise or make any bribe or unauthorised payment or inducement of any kind to anyone.
4. Not to solicit business by offering, promising, or making any bribe or unofficial payment to

suppliers.

5. Not to request or accept any kind of bribe or unusual payment or inducement that would not be authorised by SATYA in the ordinary course of business.
6. To refuse any bribe or unusual payment and to do so in a manner that is not open to misunderstanding or give rise to false expectation, and to report any such offers.
7. Not to make facilitation payments. These are payments used by businesses or individuals to secure or expedite the performance of a routine or necessary action to which the payer of the facilitation payment has a legal or other entitlement. SATYA will not tolerate or condone such payments being made.

COMMUNICATION AND TRAINING

1. Dissemination of this policy for new joiners shall be carried out at the time of induction.
2. The Company's zero-tolerance approach to bribery and corruption should be communicated to all agents, suppliers, service providers and business partners, if any at the outset of the Company's business relationship with them and as appropriate thereafter.
3. Regular training and awareness sessions shall be provided to all the employees or individuals in accordance with the requirements of this Policy.
4. Extending training and awareness programs to third parties, if it is envisaged that the work profile allocated to them carries a significant risk as per this Policy.

SATYA ensures that it has adequate procedures to combat threats relating to bribery and corruption. Accordingly, SATYA provides appropriate training for its employees on prevalent anti-bribery and anti-corruption laws, their role and importance; in order to be in conformance with legal requirements and be in compliance thereof.

WHISTLEBLOWING

Employees who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. The Company encourages openness and supports anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken. If a violation of the relevant laws or policies is proven, appropriate action shall be taken.

SATYA shall not tolerate retaliation in any form against anyone for raising concerns or reporting what they genuinely believe to be improper, unethical or inappropriate behaviors. All reports shall be treated confidentially.

The Company is committed to ensuring no one suffers any detrimental treatment because of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offense has taken place or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavorable treatment

connected with raising a concern. If you believe that you have suffered any such treatment, inform your manager immediately.

For more information, please refer to the Whistle-blower Policy.

CONSEQUENCES OF VIOLATIONS

Companies that violate ABC laws can face serious criminal and civil penalties as well as face reputational damage for their association with corrupt activities. Companies can also incur significant costs associated with investigations of allegations of corrupt activities, be debarred from government contracting, as well as be subject to civil suits by shareholders, customers, and competitors.

SATYA employees who violate this ABC Policy will be subject to disciplinary action up to and including termination of employment. In addition, SATYA employees may be held personally liable for engaging in bribery or for violating the ABC laws. SATYA may refer suspected violations to the appropriate law enforcement or regulatory authorities, which could lead to penalties, fines, and/or imprisonment for SATYA employees found liable for violating the law.

If SATYA determines that a Business Partner has not complied with the provisions of this ABC Policy, the Company will take appropriate action, which may include termination of the Business Partner's contract, initiating proper legal action, and/or notifying the proper authorities regarding the violation.

OWNERSHIP AND REVIEW OF THE POLICY

The Company reserves the right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, such amendment or modification will be binding on the employees immediately upon posting on the website.

DEVIATIONS/WAIVERS/AMENDMENT IN POLICY

The policy document shall be reviewed periodically on a need basis and any amendments made therein shall be approved by the Board.