



<b>Title</b>	Anti- Bribery Policy
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## 1. Introduction and Objective

Paytm Payment Bank has zero tolerance towards all forms of bribery and corruption. The Bank prohibits offering, promising, giving or authorizing others to give anything in excess of a certain value defined under the Bank's Gift Policy (amount should not exceed Rs. 2000/-) either directly or indirectly, to any person or entity. We must not offer, promise or grant anything of value to anyone for the purpose of influencing the recipient under any circumstances.

It is Paytm Payments Bank policy that its directors, officers, employees, intermediary or third party strictly comply with all applicable laws and regulations and observe the highest standards of business ethics. The Bank's reputation for honesty and integrity is an invaluable asset. Violation of this policy can therefore seriously affect the Bank.

It is prohibited to offer, promise, authorize or pay bribes to Government Officials or private business partners, directly or indirectly, to improperly influence official acts or decisions, obtain/retain/direct business to the Bank or to any other person or entity, or secure an improper advantage, or for the personal gain of an individual.

Compliance with the provisions of the anti- bribery and anti-corruption policy are mandatory.

## 2. Scope and Applicability

This Policy shall apply to all the employees and other Stakeholders, or any other person associated with the Bank and who may be acting on behalf of the Bank.

## 3. Definition

### 3.1 Definition

#### a. Bribery:

Bribery is defined as:

- Offering, paying, promising, giving or authorizing others to give; or requesting, accepting, obtaining, accepting to obtain, agreeing to receive,
- to any person or entity either directly or indirectly,
- to improperly influence his/her act or decision
- in order to obtain or retain business or to obtain an improper business advantage

Bribery includes not only direct payments but also authorising or permitting a third party to commit any of the acts or take any part in the actions.

#### b. Undue advantage

'Undue advantage' means any gratification whatever, other than legal remuneration.

- The word "gratification" is not limited to pecuniary gratifications or to gratifications estimable in money
- The expression "legal remuneration" is not restricted to remuneration paid to a public servant, but includes all remuneration which an employee is permitted by the bank, to receive.

‘Undue advantage’ may also include cash, cash equivalents (such as gift cards), items such as jewellery, mobile phones, i-pads, excessive business promotional activities, meals, entertainment of any kind (such as tickets to sporting events). Offers of employment and personal favours or other advantages are some more examples of the many types of things that would qualify as ‘undue advantage’.

### c. **Government official**

The term “Government official” should be understood broadly. It includes:

- An official or employee of Government at any level (national, state or local) and in any branch of government (executive, legislative, or judicial) (such as a custom official, official of Municipal Corporation, an inspector from a health or environmental agency, or a tax official etc.)
- A director, officer, or employee (irrespective of position or level) of a company or entity owned or controlled by the Government (such as an employee in the procurement department of a state-owned construction company, public utilities, an employee at a state-owned hospital or school, a journalist at a state-owned media company)
- Any official or employee of a public international organisation (such as the World Bank or International Monetary Fund)
- A candidate for a public office
- An official or employee of a political party, and a political party itself
- Relatives of the above
- Anyone acting on behalf of the above, such as advisors or lobbyists
- In case of any doubts as to who qualifies as a Government official or foreign official, assume he/she is a government / foreign official and act accordingly.

All employees of the Bank must read the contents of this Policy and understand the extent to which the Policy affects their daily work. All employees must fully and constantly comply with this policy. Any questions should be directed to the Chief Vigilance Officer.

Anyone not complying with the Policy requirements will be subject to appropriate disciplinary action as per the relevant Policy/Policies of the Bank. This may include termination of employment from Paytm Payments Bank and in certain cases may involve penalties imposed by Government authorities including fines and imprisonment. Any employee who deliberately violates this policy, or authorizes or allows a subordinate to violate it, is subject to disciplinary action, including potential demotion or dismissal.

## **3.2 Guiding Principles**

The Bank shall not pay and accept bribes, either directly or via third party, in any circumstances. Breach or attempt to breach of this principle by an employee shall be considered as an act of gross misconduct.

## **3.3 Roles and responsibilities**

Integrity is taken very seriously at Paytm Payments Bank and all the executives are equally committed and involved in the process of protecting bank’s image and reputation.

Vigilance department of the Bank will report all complaints / breaches received under the Policy to the MD & CEO and Board of Directors of the Company.

In the event that an allegation is made against an employee for potential violation of this Policy, it is responsibility of the Chief Vigilance Officer to investigate the allegation and bring it to a reasonable conclusion.

### 3.4 Mode of Complaints

Complaints related to bribery and corruption shall be made via two channels:

1. **Head of Concerned Department:** The employee who notes any such instance of corruption shall report the same to his/ her Head of Department and the Chief Vigilance Officer. The Disciplinary Committee (as constituted under the Staff Accountability Policy) shall make necessary inquiries and investigations and accordingly take action against the employees indulging in malpractices. The Staff Accountability Committee is headed by CHRO and the composition of the committee is as follows:-

Sr No	Designation
1	Chief of Human Resources Officer
2	Chief Information Security Officer
3	Chief Vigilance Officer
4	Chief of Legal
5	Head of Operation Risk

2. **Whistle blower route:** All employees of the Bank can report any instance of bribery / corruption via a whistle blower mechanism institutionalized by the Bank as well. The use of the mechanism is elaborated in the Whistle Blower Policy.

No employee will suffer demotion, penalty or other adverse consequence for raising genuine concerns about bribery including refusal to pay or accept a bribe even if such a refusal may result in the Bank losing business or failing to win a deal. Employees shall be encouraged to raise concerns about any issue or suspicion of offer or request for or the receipt or payment of bribe at the earliest possible stage.

Employees may write on the whistle blower e-mail ID – [whistleblower@paytmbank.com](mailto:whistleblower@paytmbank.com)

### 3.5 Disclosures

All Directors, Official and Employees must provide a signed declaration to Paytm Payments Bank acknowledging that they have read and understood Paytm Payments Bank's Anti-Bribery and Code of Conduct as part of the joining formalities/documentation.

## 4. Hospitality, Promotional and Other Expenditure

The Bank acknowledges that bonafide hospitality and promotional or other business expenditure including promotion or demonstration of products or services of the Bank or establish cordial relations

are an important part of doing business. Therefore, this Policy does not prohibit reasonable and proportionate hospitality, promotional or other business expenditures that are intended for the aforementioned purposes and do not conflict with the framework defined in this Policy. However, expenditures which have been incurred with an intention to influence the officer from his or her official role and thereby securing any business advantage to the Bank or himself are prohibited under this Policy.

Personal donations made by the employees of Bank are allowed provided those donations should not interfere or in any way conflict with the official work of the employee or with the Bank in any manner.

We should not make political contributions on behalf of the Bank to any political party official or political party unless such contribution is expressly permitted by law/ regulation / directive and has been pre-approved by the appropriate authority in the Bank.

## **5. Creating awareness amongst the employees and other stakeholders**

The Human Resource Department shall adopt the following procedures to create awareness of this policy amongst employees and other stakeholders:

- **Disclosure on Website:** The Bank shall communicate to its employees and other stakeholders regarding the implementation of this Policy by publishing the policy on employee portal.
- **Code of Conduct:** The Bank shall incorporate this Policy in its code of conduct to ensure compliance.
- **Training:** Compulsory training preferably at the time of induction will be provided to the employees of the Bank.
- **Contractors & Associates:** The Bank shall encourage screening procedures to be carried out on those its agents, advisers, contractors, intermediaries, and other representatives who supply material goods and services to it, to protect the Bank from the risk of it being associated with illegal or corrupt payments (or of payments purportedly being made on its behalf) and to ensure that the highest ethical standards are maintained. The Bank shall endeavour that agents, advisors etc. are made aware of its principles and practical procedures; to confirm that they will not make or receive any payment which are in contravention of this policy.

## **6. Disciplinary procedures**

The primary objective of the disciplinary procedure is to make employees aware of the instance/s of apparent and reported breach of the Policy on their part.

The Bank will follow the below procedures for dealing with bribes/ corruption:

- 6.1 An employee who is alleged to have committed an act of fraud/ bribery/ corruption shall be given a show cause in writing by the Chief Human Resource Officer or an officer one level below CHRO calling for a written explanation within the specified time duration (minimum of 24 hrs and not more than 7 working days, except if the employee requests for more time/is on mandatory leave, in such a case the time can be extended to another 7 working days) from the time of receipt of the show cause.

- 6.2 The employee shall submit his explanation in writing accepting the guilt or refuting the allegations made against him within the stipulated time. A Disciplinary Committee (as constituted under the Staff Accountability Policy) shall consider the explanation submitted by the employee, and if the explanation is found to be not satisfactory, a domestic enquiry may be conducted. If, for any reason, it is not possible to conduct the domestic enquiry, the Disciplinary Committee may straightaway proceed to take necessary disciplinary actions based on the available materials.
- 6.3 The Disciplinary Committee shall provide an opportunity to employee to present his case and to answer the charges and permitted to be defended by a co-employee working in the same unit in which he is detailed to work, excepting employees who are accused of the misconduct or against whom an enquiry is pending. No other employee or outsider shall be permitted to assist, defend or represent the employee in the domestic enquiry.
- 6.4 Based on the evidence available and cases presented by the employee, Disciplinary Committee will take suitable action against the employee and the same shall be communicated by Disciplinary Committee to such employee in writing.
- 6.5 In awarding punishment, the Disciplinary Committee shall consider the gravity of corruption, previous record of the employee and any other extenuating or aggravating circumstances that may exist. The disciplinary action shall be communicated in writing to the employee concerned by the HR department.
- 6.6 The employee will have chance to represent his /her case to the appellate authority as defined in the Staff Accountability Policy.

## **7. Reporting Requirements**

The following matters shall be reported on quarterly basis by the Vigilance Department to MD&CEO and subsequently to Board of the Bank:

- a. Details of the complaint and the disciplinary action proposed
- b. Report on the inquiry instituted against the erring employee
- c. Details to be included in the annual report which include the following:
  - Number of complaints received during the quarter
  - Number of complaints disposed off during the quarter
  - Number of cases pending for more than 90 days
  - Number of workshops or awareness programme carried out
  - Nature of action taken by the Bank

Vigilance department shall report to the Board the following:

- a. Number and nature of complaints received and resolution status of the same
- b. Complaints to be filed with the appropriate authorities
- c. Disclosures to be made in the annual report



All complaints received via a whistle blower mechanism shall be reported to the Audit Committee of the Board. The reporting requirements of these complaints are elaborated in the Whistle Blower Policy of the Bank.

## **8. Record- Keeping**

The Human Resource Department shall maintain the records of the investigations or inquiries conducted in respect of any employee as per the record retention policy of the Bank from the date of report of the investigation.

## **9. Mandatory Training & Certification**

- a. The Bank requires all employees to complete anti-bribery compliance training when they join the Bank, and all employees in senior management, sales, procurement, regulatory relations, legal or other functions identified by the Chief Vigilance Officer are required to undergo training once a year.
- b. Chief Vigilance Officer may also require other employees to participate in supplementary training from time to time.
- c. For active third-party intermediaries, DSAs and suppliers, the Bank shall conduct periodic trainings as per their risk profile but at-least once in two years.

## **10. Exceptions to the anti-bribery and anti-corruption policy**

There are no exceptions to anti-bribery and anti-corruption policy. However, in case a payment is done where any employee / associate faces situations of threat to health or safety, the incident must be brought to the notice of the Chief Vigilance Officer as soon as it is safe to do so but no later than 15 days

## **11. Policy Review and Updates**

The Policy shall be reviewed as and when required or once in a year, incorporating the regulatory changes, if any. This review shall also be to assess the effective implementation of the policy.

All relevant regulatory and legal guidelines as applicable to PPBL would apply mutatis mutandis and the Bank's Policy in this regard shall be deemed to have been modified accordingly.

## Annexure

### Examples of Bribery or facilitation:

- a. Sanjay, an employee of PPBL, offers a potential client, tickets to a major sporting event, only if they agree to do business with the Bank. This would be an offence as Sanjay is making an offer to gain a commercial advantage.
- b. Customs official asks Mr. X for payment to speed up the process of clearing goods through customs. This transaction is in the nature of Facilitation Payments, which are not permitted.
- c. Kartik invites a potential client to watch an IPL match a week before the deadline for RFP opening for a large deal, for which Kartik is bidding. Due to the timing of this hospitality, it would constitute as bribery, as it would be made with the intention of influencing the potential client to obtain business.
- d. An existing supplier offers a five-star holiday package to Dubai to an employee of PPBL and his family as a token of his appreciation for a contract awarded to the supplier. Such gift has been made as a quid pro quo to the contract and seems to be excessive; the same should be declined by the employee and reported to the Chief Vigilance Officer.
- e. A potential sub-contractor gives Mahesh an expensive bottle of wine a week before Mahesh has to select the contractor for the goods. The gift appears to have been made with the clear intention of influencing Mahesh for obtaining the contract. Mahesh should return the gift and report to the Chief Vigilance Officer.

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