

Political and Charitable Donation Policy

A. Introduction

This document sets out Cineom's Policy on the making of political or charitable donations by Cineom and its employees. It should be read in conjunction with the Cineom's Anti-Bribery Policy.

B. Definitions

- a. **Political Donation:** A political donation means any item of value, whether in cash or in kind, which is given to any political party (registered with the Election Commission of India), organization, or campaign; party official or a political candidate (including sponsorship or subscription made in relation to any political party or political organization) and contributions made to affiliates of political parties and groups/movements endorsing political parties or any other campaign/movement intended to directly or indirectly influence the outcome of election results. All political donations must be strictly made and properly disclosed in compliance with relevant provisions of the Companies Act, Income Tax Act and amendments made in thereto. Failure to adhere will lead to serious breach and non-compliance of the company's Code of Conduct.
- b. **Charitable Donation:** A charitable donation means any item of value, whether in cash or in kind, given to a cause and/or for charitable purposes to a recognized, reputable and registered charity or public international organization.
- c. Charitable donations made on behalf of Cineom, and its employees must only be made to bona fide charities, being those
 - (i) which are recognized as such by the government, either through registration with a competent authority of the government or by the grant of an exemption, as a charitable organization, from paying income tax on donations; or
 - (ii) which the Compliance Officer, as designated by SIPL, determines to be bona fides prior to the giving of the donation, having conducted appropriate due diligence on the history, reputation, performance, and charter documents of the organization. The same should be approved by the Management Committee.

C. Applicability

- a) Under Indian law, a government company or company which has been in existence for less than three financial years, is prohibited to contribute any amount, directly or indirectly to any political party or for any political purpose to any person.
- b) Any company other than the above mentioned, may contribute to a political party or for any political purpose, an amount, directly or indirectly, subject to the condition that the aggregate of that amount contributed by the company in any financial year shall not exceed five per cent (5%) of its average net profits during the preceding three financial years. Such a contribution shall be authorised by the Board of Directors.
- c) Further, the Company is required to disclose in its profit and loss account such amount contributed by it to any political party or for any political purpose to any person or to any charitable organisation during the financial year to which that account relates, giving particulars of the total amount contributed and the name of the party, person or organisation to whom such amount has been contributed.



D. Cineom Donations

- a. Employees of Cineom (including senior management, executives, and directors) should not make any political or charitable donation using the funds of Cineom, under or with reference to Cineom's name without first obtaining approval in accordance with this Policy.

b. Donations are permissible where:

- i. they serve a legitimate purpose.
- ii. they are not intended (nor would appear to be intended) to influence the decisions of any Official or other person on matters affecting Cineom and its employees.
- iii. they are reasonable and proportionate; and
- iv. they are made transparently.
- v. they are not made for the personal, financial, or political benefit of any government official, or any customer/supplier/third party (or their families).
- vi. they are permissible under the applicable laws.
- vii. No single donation shall exceed INR 5 million.
- viii. Donations must not be used as a subterfuge for bribery and corruption, improper influence, money laundering or terrorist financing.
- ix. Any donation (political or charitable) may only be paid by way of electronic transfer of funds/account payee cheque to a bank account in the name of the recipient political and charitable organization (or in the case of an independent election candidate to an account in that person's name), held at a reputable bank. A charitable Donation to such an organization should not be made without first discussing this with the Management committee.
- x. All charitable donations (except the CSR Contributions which are to be disclosed in Annual Accounts) made by Cineom and its employees must be disclosed in the Charitable and Political donations register maintained with the Compliance Officer.

E. Private Donations

If an employee of Cineom makes a donation in a private capacity, to the extent necessary or appropriate in the particular circumstances, they should ensure it is made clear to the recipient, and in any publicly available information regarding the donation, that the donation is not being made for or on behalf of, or in connection with the activities of the Cineom.

Cineom and its employees are prohibited from making personal donations if the intent or possible effect of such donation is or may be to influence the decisions of any Official or any person on matters affecting the Cineom or may result in a reputational risk to the Cineom and its constituents.

F. Approval Process

All charitable donations made by or on behalf of Cineom must be approved in advance by the Compliance Officer. All Political donations must be approved in advance by the Board of Directors.

Set out below is a non-exhaustive list of factors the Compliance Officer/ Management Committee and (where applicable) the Board of Directors may take into consideration when deciding whether to approve a donation:

- i. Is the recipient of donation registered under the relevant law?
- ii. Is there a legitimate reason for the donation?



- iii. Is the donation reasonable and proportionate?
- iv. Is the donation being made in an open and transparent manner (and not through an intermediary)?
- v. Is the recipient closely connected with an Intermediary or official (in particular any Official with the authority to make decisions which directly affect the business of Cineom)?
- vi. Does the recipient have the legal recognition/registration/license required?
- vii. Is there a risk that the donation is being used as subterfuge for bribery and corruption, money laundering or terrorist financing?
- viii. Is there a risk to the reputation of Cineom and its constituents?
- ix. Is the Recipient entity or any of its officers or directors related to directors or executive officers of Cineom?
- x. Are there any legal proceedings pending against the entity or any of its officers or directors in any court in India or outside India?
- xi. Is the Donation compatible with the Company's Code of Conduct and other internal policies?


G. Documentation & Review

- i. All Political and ad hoc Charitable Donations (approved as well as rejected) must be properly recorded and accounted for in Cineom's records including entry in the Annual Political and Charitable Donations Central Register maintained with the Company Secretary. Proper donation acknowledgement receipts should be obtained and submitted to the Accounts department for its records. Political donations should be made following provisions laid in the Companies Act, 2013 and should be appropriately disclosed as a separate line item in profit and loss account of the company.
- ii. All Donations Approval Forms must be submitted to the Designated Compliance Officer shall be retained for a period of 08 years or such other period as specified by any other law in force, whichever is more.
- iii. All donations must enter in the Annual Political and Charitable Donations Central Register
- iv. The Annual Political and Charitable Donations Register must be submitted to and Reviewed annually by Audit committee.

H. Amendments


Cineom reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever

In case of any query/ dilemma related to the above, the employees are encouraged to promptly seek guidance for action from the HOD/HRM/CO and the contact details are as follows:
Email ID: shaila@cineom.in Landline: +91 22 4210 9000



Vinayak Deo
Managing Director
Date: 05/10/2019





Shailesh Parab
Jt. Managing Director
Date: