ANTITRUST / COMPETITION LAW GUIDANCE NOTES

Company:	**Vedanta Iron and Steel Limited**
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Contents

Introduction:

These Antitrust Guidance Notes (“**Guidance Notes”**) set out Vedanta Iron and Steel Limited’s (“VISL” or the “Company”) commitment to compliance with applicable antitrust / competition laws. The purpose of these Guidance Notes is to provide practical guidance to employees and relevant business partners with regard to antitrust / competition law and to assist them in complying with it. As the Company operates in a highly competitive environment where antitrust / competition laws play an increasingly important role, the Company emphasises integrity, lawful conduct and fair competition in all business dealings. The Company is committed to the preservation of vigorous, healthy and fair competition and to complying with relevant antitrust / competition legislation.

In India, the primary legislation governing competition is the Competition Act, 2002, as amended, administered by the Competition Commission of India ("CCI"). The Company is subject to the Competition Act, 2002 and all employees must ensure compliance with its provisions.

Antitrust / competition laws guard against anti-competitive agreements and the abuse of dominance. Non-compliance with applicable national antitrust / competition laws can have unfavourable consequences for the financial condition, reputation and viability of the Company.

The Company’s employees and business partners (e.g. suppliers, consultants, advisers or any other form of service providers) are expected to comply with the applicable principles set out in the Guidance Notes and must remain mindful of the serious legal, financial and reputational risks arising from any breach of antitrust / competition law.

Companies that infringe antitrust / competition law can face significant fines. For instance, the European Commission and Competition Commission of India can impose significant penalties in accordance with applicable law, including penalties linked to turnover / income, as may be applicable in the relevant jurisdiction. Companies may be sued for damages by those who can demonstrate that they have sustained losses as a result of anti-competitive practices. Any contractual provision which infringes antitrust / competition laws is generally void and cannot be enforced in the courts.

Moreover, the entire contract could also be invalidated in certain circumstances and jurisdictions. Apart from monetary risk, infringement of antitrust / competition laws is increasingly perceived by the stakeholders as unethical behaviour, which can seriously impact the image and reputation of the Company, and also affect its ability to demonstrate that it observes the highest standards of corporate governance. Antitrust / competition authorities may also, in appropriate cases and subject to applicable law, examine the role of directors, senior management and other officials where they are alleged to have participated in, consented to, or failed to prevent anti-competitive conduct.

Considering the high risk involved in non-compliance and high standards of commitment for antitrust compliance as stated in the Guidance Notes of the Group, compliance with antitrust / competition laws by the Group implies compliance by all employees with highest standard. However, the Guidance Note is specifically targeted at those employees who are or may become involved with antitrust / competition law in the course of their professional duty. It is compulsory for all employees to read and understand the Guidance Notes carefully and ensure to comply fully with antitrust / competition laws.

The Guidance Notes are aimed at raising all employees' level of awareness of antitrust rules but cannot answer all questions. That is why employees should seek advice from the respective Compliance Officer (**Compliance Officer**) or the Legal / Compliance function of the Company whenever guidance or clarification is required.

Overview of Antitrust / competition laws

Despite a lack of uniformity, especially when it comes to procedural aspects, there is a growing trend towards harmonization of antitrust legislation in all countries where the market economy and free competition have been adopted as the best model for economic development.

Antitrust / competition law generally is based on three underlying concepts:

- the prohibition of anticompetitive agreements and concerted practices;
- the prohibition of abuse of a dominant position or of substantial market power; and

- the assessment of acquisitions, mergers, amalgamations, combinations and joint ventures to prevent the creation or strengthening of market power or the reduction of competition.

These Guidance Notes provide general guidance on above-mentioned concepts, however, these are not exhaustive and situations not specifically covered here may also arise. Therefore, any doubt should immediately be directed to the respective Compliance Officer of the Company.

1. Anti-Competitive Agreements

For antitrust / competition law purposes, the term “Agreement” has a very wide meaning and includes all kinds of collusive arrangements and understandings between two (or more) competitors, written and/or unwritten. Antitrust / competition law prohibits agreements or concerted practices between market players that have as their object or effect to restrict competition. The prohibition of “restrictive agreements” must be interpreted widely. The concept of “agreement” in antitrust / competition law includes formal as well as informal agreements, written and oral agreements, explicit or implicit deals or understandings. The actual form of the agreement is irrelevant, once there is a “meeting of the minds”, an agreement exists.

A concerted practice is a form of coordination between market players which, without having reached the stage where an agreement has been concluded, knowingly substitutes practical cooperation between them for the risks of competition. Especially exchanges of confidential information between competitors are often found to qualify as a concerted practice.

As soon as an agreement has the object of restricting competition, antitrust / competition law applies. The agreement does not need to be implemented first in order to be prohibited. If an agreement was reached, and the parties would individually decide not to implement the agreement, they could still be fined for their agreement. The opposite also applies. If the parties’ intent were not at all aimed at restricting competition, but the agreement would have a restrictive effect of competition, the agreement would equally be prohibited, and the companies might be punished.

Any contact between competitors may give rise to concern from an antitrust / competition law perspective. Antitrust / competition law authorities will always be suspicious about the real intentions for competitors to meet. As a result, all employees should be careful when meeting competitors, also on informal occasions, and wonder whether the purposes for meeting are allowed from an antitrust / competition law perspective. If there is any doubt about this issue, the employee should contact the respective Compliance Officer or Legal / Compliance function of the Company.

1.1 Relationship with Competitors

Any agreement to maintain prices, restrict supply to raise prices, allocate market amongst industry players (whether oral or written) formal or informal may constitute a serious antitrust violation and all employees must refrain from engaging in or facilitating any such activities. A brief introduction is given to all these types of agreements for general understanding, any doubt/query regarding these practices must be shared with concerned Compliance Officer of the Company.

1.1.1 Price fixing

In all antitrust / competition law regimes, it is illegal for competitors to fix or decide, whether directly or indirectly (for example through distributors), the price level at which their products will be sold to third parties. Agreements or understandings that affect prices indirectly, such as on rebates or discounts, pricing methods, costs and terms of payment, are also considered illegal under antitrust / competition law.

1.1.2 Division of territories/market sharing & allocation of customers

It is illegal under antitrust / competition law for competitors to allocate territories to each other and/or to agree not to compete in such territories. Market sharing or market division agreements may be either to share markets geographically or in respect of consumers or particular categories of consumers or types of goods or services in any other way. Competitors are not allowed to agree to divide customers between them in the markets in which they compete, or where they could be expected to compete.

1.1.3 Group boycott

It is illegal for competitors to agree to boycott a particular customer or supplier or class of customers or suppliers. "Boycott" here means any concerted action or agreement between two or more competitors not to sell to or buy from a particular customer or supplier, or class thereof. This type of decision may also arise through a trade association (**Trade Association**) if it adopts or facilitates an anti-competitive decision against any particular member, non-member, or class of members / non-members.

Although the Company is free in general to decide not to do business with a supplier, customer or competitor, these decisions carry antitrust risks when they are made jointly by two or more companies. Employees should avoid the following types of agreements, which may be viewed as illegal boycotts:

- An agreement among competitors not to do business with particular suppliers or customers.
- An agreement amongst certain competitors not to collaborate or do business with other competitors.
- An agreement at the request of two or more customers, or two or more suppliers, not to do business with competitors of the companies making the request.

A boycott can be based on an absolute refusal to do business with the targeted companies, or on a willingness to do business with them only on certain conditions. Some agreements of this type can be legal, but employees should not enter or discuss any of these agreements without first consulting the Compliance Officer or Legal / Compliance function of the Company.

1.1.4 Limitation of production

Agreements that limit or control production, supply, markets, technical development investment or provision of services are also considered to be anti-competitive. It is illegal for competing companies to agree to stop production, or to limit the same to a certain level, rather than allowing normal competitive forces to determine their independent production decisions.

1.1.5 Cartelization & Bid rigging

Cartels are agreements among competitors to fix prices, restrict output, and allocate markets, rig bids and so on. All cartels are illegal, whether the agreement is written or oral, expressly made or implied. Cartels are the most serious form of antitrust violation. Participation in a cartel can lead to severe penalties, including imprisonment of the employees involved.

Agreements or understandings between competitors regarding prices or terms and conditions to be submitted in response to a bid request are generally prohibited. This includes agreeing not to bid. Generally, there are two common forms of bid-rigging, one in which firms agree to submit common bids and the other where bids are submitted in such a way that each firm wins an agreed number or value of contracts.

1.1.6 Joint purchasing

Joint purchasing arrangements between competitors may raise antitrust / competition law concerns where they restrict the parties' independent commercial freedom, involve exchange of commercially sensitive information, exclude suppliers, or create substantial buyer power. Any joint purchasing arrangement involving competitors must be reviewed in advance by Legal / Compliance before any discussion, commitment or implementation.

1.1.7 Joint commercialisation

Agreements between competitors to jointly sell, distribute or promote their products may raise antitrust / competition law concerns where such agreements limit the individual participants in their freedom to determine their own commercial policy and to advertise individually.

1.1.8 Exchange of commercially sensitive information

In general, competing companies must not exchange commercially sensitive information which may influence the independent determination of their individual commercial policy, such as information regarding sales quantities, prices, costs, margins, capacity, output, discounts, bids, trading conditions, strategy, or information relating to individual customers and/or suppliers.

1.1.9 Site visits at competitors' business

Site visits by or to competitors run the risk of violating antitrust / competition laws. They should be kept to a minimum and limited to health, safety, environmental and similar operational initiatives and should not result in disclosing or obtaining commercially sensitive information. If competitor personnel discuss commercially sensitive information or ask questions about commercially sensitive information, bring the conversation to an end, clearly state that such discussion is not permitted, make a contemporaneous note, and report the incident to the Compliance Officer of the Company.

Guidance Note: Do's and Don'ts' with Competitors

Always

- Avoid contact with competitors unless there is a legitimate, documented business reason for such contact.
- Maintain a written record of the purpose, agenda, attendees and key discussions of any meeting with competitors.
- Avoid any discussion regarding confidential, commercially sensitive or business secret information with competitors.
- If a competitor starts discussing any of the items listed under "Do Not" below, always state that you cannot discuss such matters, terminate the conversation, keep an accurate file note of this and of what was said, and inform Legal / Compliance team of the Company.
- Remember that a competitor is not a legitimate source of competitive intelligence.
- Maintain the Company's independence of judgement in pricing, marketing, production, purchasing and selling of any product or service.
- Avoid any action which could imply any coordination with competitors.

Never

- Discuss or agree on price fixing, timing of pricing changes, discounts, margins, costs, capacity, production, distribution practices, terms of sale, or other terms and conditions on which the Company does business.

- Discuss or agree to restrictions concerning markets (by location or customer) or marketing schedules.
- Discuss or agree on joint action designed to fix or manipulate the evolution of market shares artificially.
- Discuss or fix quotas on output or sales (limitation of or agreement on capacities etc.).
- Discuss or agree to the boycotting of any customers, competitors or suppliers.
- Discuss or agree to limit or control any investment or technical development.
- Receive from a customer, detailed information about a competitor's offer/bid unless the structure of the bidding process and information is open and accessible to all participants.
- Ask a competitor to indicate its sales / purchase strategy, pricing policy, customer / supplier strategy, costs, margins, capacity, technology processes, bids or future commercial plans.
- Directly or indirectly disclose to or exchange any commercially sensitive information with competitors, unless specifically approved in advance by the Compliance Officer or Legal / Compliance function.
- Use a trade publication or a journalist as an indirect means of passing commercially sensitive information to competitors.
- Allow access to, seek access from or discuss confidential or other unpublished business information (such as prices; surcharges; costs of production or distribution; profitability; strategy, business and marketing plans; product development plans; information on customers).

1.2 Relations with suppliers & distributors

Unlike agreements with competitors, many agreements with customers / suppliers are necessary and entirely appropriate in the course of day-to-day business. Vertical agreements are agreements between persons operating at different levels of the production or supply chain, such as an agreement between a manufacturer and a distributor. Any agreement amongst enterprises or persons at different stages or levels of the production or supply chain in different markets, in respect of production, supply, distribution, storage, sale or price of, or trade in goods or provision of services, including tie-in arrangements, exclusive supply agreements, exclusive distribution agreements, refusal to deal, and resale price maintenance, may contravene antitrust / competition law if such agreement causes or is likely to cause an appreciable adverse effect on competition in a relevant market.

1.2.1 Tie-in agreement

Tie-in agreements include arrangements requiring a purchaser of goods or services (the "tying product") to purchase other goods or services (the "tied product") as a condition of such purchase. Generally, an employee should not enter into commercial relations conditional upon the acceptance of unrelated additional services, without proper economic justification.

1.2.2 Exclusive supply agreement

Any agreement restricting in any manner, the purchaser from acquiring or otherwise dealing in any good other than those of the seller or any other person may raise antitrust / competition law concerns. Exclusive supply dealing agreements may be anti-competitive if they block or create barriers to entry by not permitting other manufacturers to enter the market.

1.2.3 Exclusive distribution agreement

Any agreement that limits, restricts or otherwise withholds the output or supply of any goods or allocates any area or market for the disposal or sale of goods may create an antitrust / competition law issue and may fall within the category of exclusive distribution agreements. Normally, unsolicited/passive sales by exclusive distributor out of their assigned territory should not be prohibited.

1.2.4 Resale price agreements

Resale price maintenance includes an agreement to sell goods on condition that the prices to be charged on resale by the purchaser shall be the prices stipulated by the seller, unless it is clearly stated that prices lower than those prices may be charged. The use of threats, intimidation, warnings, monitoring, penalties, delay or suspension of deliveries as a means of fixing or maintaining resale prices must not be adopted.

1.2.5 One-sided agreements

Agreements entered into by the Company where it has superior bargaining power and is able to dictate terms that are overwhelmingly one-sided may, depending on the facts and applicable law, raise competition-law concerns and should be reviewed carefully.

Guidance Note: Do's and Don'ts' with suppliers & customers

Always

- Consider recommending a resale price only if it is unilaterally suggested, clearly non-binding, and has no effect of fixing a minimum or fixed resale price through pressure, incentives or penalties.

- Justify the objective purpose of choosing exclusive distribution as your sales method.
- Sell two products together as a package, only if the customer can also get them separately.

Never

- Fix the resale price/ profit margin of a product with your distributor.
- Prevent your distributor from reselling your product in a given territory.
- Prohibit unsolicited/passive sales by exclusive distributors out of their assigned territory.
- Execute long-duration exclusive agreements to buy, sell or limit territory where the Company may have significant market power, without prior Legal / Compliance review.
- Make entering into commercial relations conditional upon the acceptance of unrelated additional services, without justification.
- Directly or indirectly attempt to obtain information about competitors, from your customers or suppliers.
- Obtain competitors' information on their current or future price, profit margins or costs, bids, market share, distribution practices, terms of sales, specific customers or vendors.
- Act in a manner that unfairly favours or benefits one customer over another.
- Receive from a supplier detailed information about its offer, bid, pricing, discounts, costs, margins or strategy relating to a competitor of the Company.

- Require from your customers to purchase one (less desirable) product in order to obtain another (more desirable) product.
- Use one-sided clauses in agreements where the Company may have superior bargaining power, without Legal / Compliance review

1.3 Behaviour at trade associations' meetings

Various companies under the Group are members of many trade associations. These associations can be effective in gathering and disseminating appropriate information as well as in representing the industry to the public, government officials and agencies.

It is legitimate for employees to participate in trade associations for proper industry, professional or policy-related purposes. However, such activities must not go beyond such legitimate purposes and must not be used as a forum for illegal collusion between competitors, including by facilitating price fixing, market allocation, customer allocation, bid rigging, output restriction or exchange of commercially sensitive information.

Any decisions of associations of companies which have the object or effect to restrict competition are equally prohibited. Antitrust authorities are normally suspicious about such "official" meetings with competitors. In order to address these risks, the Trade Association should have a competition compliance policy and should strictly adhere to it.

Guidance Note: Do's and Don'ts' at trade associations' meeting

Always

- Stay SOLID if discussions stray into risk areas:
  - State – that you cannot discuss such matters;

- **O**bject – and if meeting is formal, ask for your objection to be recorded in the minutes of the meeting;
- **L**eave meeting if discussion continues and if meeting is formal, ask for your departure to be recorded in the minutes of the meeting;
- **I**nform the legal department concerned with the discussion; and
- **D**ocument the meeting, discussions and your response.

- Prior approval should be taken from the appropriate internal authority before joining any trade association on behalf of the Company or before accepting any decision-making position in such organisation.

- An agenda should be circulated well in advance of any meeting, should not include any anti-competitive topics, and should be strictly complied with.
- Minutes should be recorded and distributed.
- Distance yourself from any decision taken or proposed to be taken by the Trade Association which may violate antitrust / competition laws. If the discussion continues, leave the meeting, do not accept any anti-competitive documentation, and ensure that your objection and departure are recorded.
- Same principles should be applied in discussions outside the formal trade association meeting (e.g., during lunches or dinners).
- Share non-commercially sensitive information about a customer or supplier, such as its credit rating or health and safety record, only where there is a legitimate purpose and no exchange of competitively sensitive information.
- Attend only meetings of legitimate trade and professional associations held for proper business or professional purposes.

Never

- Participate in trade association gatherings where there is exchange, discussion or indirect disclosure of Commercially Sensitive Information.
- Issue or support advice, recommendation or guidance to members on any commercially sensitive issue, including price, output, capacity, customers, suppliers, technology, bids, costs or margins.
- Follow any decision, recommendation, circular, informal understanding or practice of a Trade Association which may infringe antitrust / competition laws.
- Agree, or even discuss, with a competitor to submit a "complementary bid" (i.e., a bid that does not fulfil requirements of a tender);
- Agree to restrict or increase production, including levels of production, manufacturing processes and/or supply of services;
- Share technological solutions for specific projects / purchasing/sales strategy, including whether to purchase/sell products or systems from a particular supplier/to a particular customer, or at which conditions;
- Agree to impose a collective boycott of a supplier or customer or a competitor without a legitimate reason.

"**Commercially Sensitive Information**" is information that can influence a commercial decision or strategy of the Company or its competitor, and includes information about past, current or future:

- Pricing elements (e.g., discounts, calculation methods), planned price changes;

- Sales / purchase revenue, volumes, territories, order position, customer lists, agreements and terms of sale;
- Offers, bids planned /made (technical specifications and Terms & Conditions);
- Cost structures (R&D, production & distribution), profit margins, capacity utilization, output;
- R&D plans & their results.

"Information is not commercially sensitive" if:

- It does not relate to parameters of competition;
- It is in the public domain;
- It is historic (information older than 1 year – use your discretion); or
- It is sufficiently aggregated to lose its sensitivity.

1.4 Benchmarking:

Obtaining information about competitors may have anti-competitive effects. Benchmarking may improve operational understanding, but it can also create competition-law risk if it involves competitors, commercially sensitive information, current / future market conduct, or reciprocal information exchange.

Guidance Note: Do’s and Don’ts’ on Benchmarking

Always

- Obtain information from public sources or from independent third parties.
- Normally obtain only historical, aggregated and anonymised data, and avoid current or future commercially sensitive information.
- Conduct a benchmarking exercise with ‘sister’ companies/divisions/units.
- Conduct benchmarking exercises on a unilateral basis, i.e., where the Company itself or with the help of an independent consultant, without receiving commercially sensitive information from industry participants, compares its performance with that of other industry players using lawful competitive intelligence.
- Conduct benchmarking exercises with competitors only if the exercise relates to non-commercially sensitive information and has been approved in advance by Legal / Compliance.
- Conduct benchmarking exercise with competitors only if it relates to data which is not commercially sensitive, for e.g., human resource management, staffing, etc.
- Have a legitimate detailed benchmarking work plan.
- Benchmarking exercises involving competitors must be approved in advance by the Compliance Officer or Legal / Compliance function and must be conducted according to a specific written benchmarking plan.
- Benchmarking exercises must be limited to technical aspects of the business, unless approved by the Compliance Officer.

Never

- Try to obtain information directly from competitor.
- Conduct internal benchmarking if it is not based on public information without checking with Legal and Compliance team of the company.
- Conduct benchmarking without involving an independent organisation, if possible.
- Make any direct contact with competitors during or in relation to an internal benchmarking exercise.
- Discuss the results of an internal benchmarking exercise with other participants or competitors.

2. Abuse of Dominance:

A company has a dominant position if it enjoys a position of economic strength or market power which enables it to operate independently of competitive forces or to affect competitors, customers, consumers or the relevant market in its favour. Dominance is assessed based on the relevant facts, applicable law, market structure, market shares, barriers to entry, economic strength, dependence of customers / suppliers and other relevant factors.

The criterion for dominance is qualitative as well as quantitative and is not determined solely by a specific market share. A high market share may be an important indicator, but dominance must be assessed in the context of the relevant market and applicable law. It is important to keep in mind that, being dominant is not at all problematic under antitrust / competition law; only the abuse of a dominant position on a given relevant market is prohibited.

2.1 Relevant market under antitrust / competition law:

A relevant market definition under antitrust / competition law has a product/services and geographical dimension. The relevant product/service market is understood as a market comprising "all those products and/or services which are regarded as interchangeable or substitutable by the consumer, by reason of the products' characteristics, their prices and their intended use".

The relevant geographic market is defined as comprising "the area in which the undertakings concerned are involved in the supply and demand of products or services, in which the conditions of competition are sufficiently homogeneous, and which can be distinguished from neighbouring areas because the conditions of competition are appreciably different in those areas".

The main purpose of market definition is to identify, in a systematic way, the competitive constraints faced by the companies involved.

2.2 Examples of Abuse of Dominance

Many abusive practices relate to the pricing or commercial policy of a dominant company.

A dominant's company's pricing must not be excessive, predatory or discriminatory. Rebates and discounts may also raise concerns where they reinforce dominance, exclude competitors, tie customers, or lack objective justification. Other types of behaviour can also constitute an abuse, for instance tying or bundling (packaged selling of unconnected products) and under specific circumstances, a refusal to supply may also be abusive.

2.2.1 Excessive pricing

A dominant firm can abuse its position by charging excessive/unfair prices under antitrust / competition law, when it's pricing policy has no reasonable relation to the economic value of the product and this can be determined by a twofold test: (i) the price-cost margin is excessive and (ii) the price imposed is either unfair in itself or when compared to competing products.

2.2.2 Loyalty rebates

A dominant firm should not adopt rebate or discount schemes that improperly enhance loyalty, foreclose competitors, or otherwise amount to abusive conduct. Discounts may be granted, but they should always be based on efficiency gains and linked to identifiable cost savings such as on volume. In particular, fidelity rebates, i.e. rebates conditional on the customer purchasing all or a large portion of its requirements from the supplier over a certain period are unlawful. These rebates restrict the customer from switching to alternative suppliers and as a result, are able to foreclose competing suppliers from the opportunity to make sales to those customers bound.

Target rebates, i.e. rebates that are conditional upon the distributor reaching certain targets, are in most instances unlawful for dominant firms. The same applies for discount schemes making reference to market share targets or market share minima. Non-written, non-transparent or subjective rebate schemes may be unlawful under antitrust / competition law.

2.2.3 Predatory Pricing

Predatory pricing refers to a practice of a dominant firm of driving rivals out of business by selling at a price below the cost of production. It is a commercial strategy by which a dominant firm first lowers its price to a level which will ultimately force its rivals out of the market. Once competitors have been excluded or weakened, the company may be able to raise prices again and benefit from reduced competition.

2.2.4 Discrimination in prices or other trading conditions

It is illegal for a company having a dominant position in the relevant market to enforce different prices or other trading conditions upon different customers in similar situations, or discriminatory licensing conditions, without objective justification.

Differentiation may be permissible if it is justified on objective grounds. For example, a lower price may be warranted where a distributor performs additional services not provided by other distributors or where larger volumes are purchased.

2.2.5 Refusal to supply

In general, there is no absolute obligation to supply, particularly where it concerns a potential customer with whom there has been no previous trading relationship. However, under antitrust / competition law a dominant company is required to have some reasonable and fair commercial reason for cutting off or reducing supplies to an existing customer. Objective justifications might include real concerns about the customer's creditworthiness or a shortage of the relevant product.

Guidance Note: Do's and Don'ts' on Abuse of Dominance

Always

- Treat similarly situated customers and distributors consistently and without unjustified discrimination and ensure that any differences in treatment have proper objective and economic justification.
- Ensure that any refusal to supply, reduction of supply, termination of supply, or materially different treatment of customers / distributors is discussed in advance with Legal / Compliance and that objective business reasons are documented.

- Provide quantity rebates only where they reflect genuine cost savings or efficiencies, are objectively justified, are transparent, and do not restrict the buyer's choice of supplier.

Never

- Grant discounts, rebates or fidelity bonuses without prior consultation with the Business Owner and Compliance Officer, where the Company may have significant market power.
- Adopt pricing that may create a risk or appearance of excessive, predatory, discriminatory or otherwise abusive pricing in the market.
- Unreasonably and without any commercial reason cut off or reduce supplies to an existing customer/supplier.
- Agree to refuse to deal based on discussions or agreements with competitors.
- Apply different discounts / rebates for similarly situated customers unless objectively and economically justified.
- Grant loyalty rebates or discounts which have the effect of tying a customer to a supplier or any rebates which are based on the percentage of its requirements purchased by a customer.

3. Language Used in Internal Documents and External Communication

Even if a company is in full compliance with antitrust / competition laws, its oral and written communications may still suggest otherwise. In reality, that perfectly legal behaviour can become suspect, simply because of a poor choice of words. Discussing the legality of certain behaviour in writing is inadvisable for the same reasons; while the author may be wrong in suggesting that certain behaviour may not be allowed, it nevertheless raises the attention of the antitrust authority. Be careful with the language you choose in your documents and outside communication. If your text could be misinterpreted, give more context and/or use clearer language. Consider how documents could be read by other employees, competitors and antitrust / competition law authorities.

3.1 Red flag words/phrases

The following are examples of terms and phrases which should be avoided in any communication, correspondence, presentation, note, message or agreement relating to Vedanta Iron and Steel Limited's activities, unless there is a clear, lawful and properly documented context, as they could create an unwarranted inference of anti-competitive behaviour or intent:

- Dominant position/dominate the market
- Fix prices/control prices
- Prevent imports
- Reserve a market
- Share the market/coordinate prices
- Smash/crush the competition
- A "right" margin
- Control/stabilize the market
- Divide/partition the market
- Reasonable competition; no cowboys
- Drive out of the market
- Eradicate competition

- Eliminate from the market
- Boycott
- Destroy this document / delete this e-mail after reading , except where deletion is part of an approved document retention process and not intended to conceal information
- “Our” market

4. Regulatory Approvals by Antitrust Authorities in case of M&A

Acquisitions of assets or equity from another company may violate the antitrust / competition laws if the effect of the acquisition could impair competition. Parties to transactions that meet certain financial thresholds, regardless of the deal’s effect on competition, must give prior notice to respective antitrust authority.

To ensure the Company’s compliance with this notice requirement, employees must consult with the Compliance Officer of the Company, before reaching an agreement on a transaction that would result in the acquisition by the Company (or by any affiliate) of either assets, equity or a combination.

The failure to file a required notice with the antitrust agencies can have serious consequences. The parties can be:

- Subject to penalties, including daily penalties where applicable, for proceeding without the required filing, approval or clearance.
- Required to undo their transaction.
- Forced to delay closing until they have made a filing and the specified waiting period has expired.

The Company's corporate transactions must also avoid "gun jumping" (that is, taking steps to coordinate, integrate, control or influence the target's competitive conduct before the transaction is lawfully closed or before the required waiting period / approval process has been completed). Standard contractual provisions that require a target to preserve its assets and operations until closing usually raise no issues. However, when the acquiring party exercises significant influence over the management of the target, or where the parties coordinate their business activities, the antitrust authority may conclude that the parties are enjoying the benefits of their transaction prematurely and seek to impose fines.

4.1 Non-Compete clauses

Non-compete clauses may be justified only where they are ancillary to a legitimate transaction, necessary to protect the value of the transferred business, and compliant with applicable law. Such clauses should be reviewed by Legal / Compliance and should ordinarily:

- be limited in duration and not exceed what is reasonably necessary, taking into account whether goodwill, know-how, customer relationships or other legitimate business interests are being transferred;
- have a clearly prescribed and limited geographic scope;
- remain limited to products or services forming part of the economic activity of the business transferred; and
- not extend to a prohibition on holding shares purely for financial investment purposes, unless such shareholding directly or indirectly confers management rights, control, strategic influence or material influence in a competing company.

Guidance Note: Do's and Don'ts' on M&A

Always

- Submit Merger filings before the regulatory antitrust authorities (where required) Consult Business Owner / Compliance officer before finalizing any M&A activities.
- Conduct appropriate antitrust / competition due diligence before signing, approving or implementing M&A activities.
- Operate as separate entities and continue to compete until the transaction is complete.
- Document any legitimate reasons why limited pre-closing coordination between merging entities is necessary and ensure such coordination is approved by Legal / Compliance.

Permissible (subject to Legal / Compliance guidance)

- The Company may make unilateral decisions regarding the future of the merged entity and internally do what is necessary to carry out those decisions.
- The Company and the merging entity may jointly plan for post-closing integration only to the extent permitted by applicable law and subject to Legal / Compliance guidance.
- Share due diligence information such as balance sheets, income statements, tax returns, product information and manufacturing operations only where necessary for the transaction and subject to appropriate confidentiality, clean-team, data-room and Legal / Compliance safeguards,

➢ Share general information regarding existing joint ventures or similar relationships with third parties only where relevant to the transaction and after considering confidentiality obligations, antitrust restrictions and Legal / Compliance guidance.
Never ➢ Complete an M&A transaction without obtaining any required filings, notifications or clearances from the concerned antitrust authorities. ➢ Discuss commercially sensitive information beyond what is necessary for the transaction or without appropriate safeguards, including clean-team or external adviser protocols where required. ➢ Establish joint product development teams, co-mingle personnel, integrate operations, coordinate pricing, allocate customers or otherwise operate as a single entity before closing, unless expressly permitted by applicable law and approved by Legal / Compliance. ➢ Dictate to the merging entity the prices and terms of trade to be offered by it to its customers, or what customers it may not approach. ➢ Limit the merging entity's participation in trade shows and other business development opportunities.

- Agree upon prices, sales terms, customers, suppliers, bids, output, capacity, strategy, markets or sales territories prior to lawful closing of the transaction.

5. Regulatory Compliance Monitoring Mechanism

It is the obligation of every employee to strictly comply with the applicable antitrust / competition laws. In order to support and monitor compliance, the following monitoring mechanism has been adopted.

5.1 Reporting Channels

To fulfil the Company's commitment to comply with antitrust / competition law, all employees have an obligation to report any of the following:

- An actual or suspected violation of applicable antitrust / competition law.
- Conduct that might be a violation of the law.
- Questionable conduct, discussion, communication, arrangement or request that may indicate a potential violation.

A report may be made to any of the following:

- An employee's supervisor, unless the employee suspects that the supervisor has participated in or condoned the violation.

- A member of the Law Department.
- The Compliance Hotline / approved reporting channel.

5.2 Reporting to the Compliance Hotline

The Compliance Hotline / approved reporting channel is a service that any employee can contact to report any actual or potential violation of applicable law, these Guidance Notes or the Company's ethical standards. Employees can also use the Compliance Hotline / approved reporting channel, where available, to seek guidance on legal and ethical compliance. The Compliance Hotline can be contacted through one of the following channels:

Email: vedanta.whistleblower@vedanta.co.in

Complaints can also be registered on the web-based portal www.vedanta.ethicspoint.com managed by Ethics Point or by calling on a toll-free number (details provided on the portal).

Reports made through the Compliance Hotline / approved reporting channel will be treated as confidential to the extent reasonably practicable and permitted by law. The Company prohibits retaliation against any person who raises a concern or participates in an inquiry in good faith.