

INTEGRITY PACT PROGRAM

1. INTRODUCTION:

Orissa Power Generation Corporation Ltd. (OPGC) is a joint Venture of Govt. of Orissa and AES Corporation, USA engaged in generation of electricity. OPGC conducts its business maintaining the highest ethical standards.

It does business with a number of Domestic and International Bidders, Contractors and Vendors of Goods and services (counterparties). OPGC is committed to fostering the most ethical and corruption-free business environment. OPGC values its relationships with all counterparts and deals with them in fair and transparent manner.

In order to achieve these goals, OPGC is committed to implement the Integrity Pact Program in cooperation with Transparency International India (TII). As part of this initiative, OPGC will, in consultation with TII appoint Independent External Monitors who will help OPGC to implement the Integrity Pact Program.

Following are details of OPGC's Integrity Pact Program:

- i. Commitments and obligations of OPGC.
- ii. Commitments and obligation of counterparties
- iii. Violation and Consequences
- iv. Periodic Review & Evaluation

2. COMMITMENTS AND OBLIGATIONS OF OPGC:

- (a) OPGC is committed to have most ethical and corruption free business dealings with all counterparties.
- (b) OPGC values its relation with all counterparties and will deal with them in a fair and transparent manner.
- (c) OPGC and/or its associates (employees, agents, consultants, advisors etc.) will not seek or take bribes/undue benefits directly or indirectly for themselves or for third parties.
- (d) In competitive tender as well as in general procurement, OPGC will deal with counterparties with equity, reason and fairness.
- (e) OPGC will exclude all associates who may be prejudiced or have a conflict of interest in dealing with counterparties.
- (f) OPGC will honour its commitments and make due payments to counterparties in a timely manner.
- (g) OPGC will initiate action and pursue it vigorously whenever corruption or unethical behavior occurs.

3. COMMITMENTS AND OBLIGATION OF COUNTERPARTIES:

- (a) The counterparties directly or indirectly (through agent, consultant, advisor etc.) will not pay any bribes or give illegal benefit to anyone to gain undue advantage in dealing with OPGC.
- (b) The Bidder(s) / Contractor(s) will not, directly or through any other person or firm, approach any Government officials, ministers, public servants, or any external agencies in an effort to influence the bidding decision making process or to attain any undue favours to the Bidders (s) / Contractor(s).
- (c) The counterparties will not engage in collusion, price fixing, etc. with other counterparties.
- (d) The counterparties will not pass on OPGC's confidential information to any third party unless authorized by OPGC.
- (e) The counterparties will promote and observe best ethical practices within their organization.
- (f) The counterparties will inform the Independent External Monitor (IEM):
 - If he receives demand for a bribe or illegal payment/benefit
 - If he comes to know of any unethical or illegal payment/benefit.
 - If he makes any payment to any OPGC Associate.
- (g) The counterparties will not make any false or misleading allegations against the OPGC or its associates.

4. VIOLATION AND CONSEQUENCES:

- (a) If OPGC has disqualified the counterparty from the tender process prior to the award according to section 3 of Integrity Pact (submitted by counterparty), OPGC is entitled to demand and recover the damages equivalent to earnest money deposit/Bid Security.
- (b) If OPGC has terminated the contract according to the section 3 of Integrity Pact (submitted by counterparty), or if OPGC is entitled to terminate the contract according to section-3 of Integrity Pact (submitted by counterparty), OPGC shall be entitled to demand and recover from the counterparty liquidated damages of the Contract value or the amount equivalent to Performance Bank Guarantee.
- (c) OPGC may ban and exclude the counterparty from future dealings until the IEM is satisfied that the counterparty will not commit any future violation.
- (d) OPGC may initiate criminal proceedings against the violating counterparty.

- (e) The counterparty will be liable to pay damages as determined by the IEM.

5. PERIODIC REVIEW & EVALUATION:

OPGC will periodically review the effectiveness of the Integrity Pact Program by all or one or more of the following:

- (a) The IEMs and management of OPGC do an annual self-assessment of effectiveness of the Program and identify areas/ways to improve effectiveness.
- (b) IEMs to submit an annual report on the progress/effectiveness of Integrity Pact Program to the Board of Directors of OPGC.
- (c) OPGC may conduct an annual 360 degree review (by an outside agency) with senior executives, junior executives, suppliers and counterparties of effectiveness of Integrity Pact Program in reducing corruption.
- (d) OPGC may along with TII review the effectiveness of the Integrity Pact Program on an annual basis.

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