



Nayara Energy Limited

Registered Office:

Khambhalia Post, P.O. Box 24, District Devbhumi Dwarka – 361305, Gujarat

Conflict of Interest Policy



DOCUMENT CONTROL

Document Title	Conflict of Interest Policy
Document Owner	Chief Compliance & Security Officer
Recommended By	Management Committee
Reviewed By	Audit Committee
Approved By	Board of Directors
Approval Date	16 April 2021
Effective Date	From the date of its approval
Document Applicability	This Policy is applicable to Nayara Energy Limited & its Subsidiaries (as and when approved)
Document Classification	Public
Document Distribution	<ol style="list-style-type: none">1. Company Intranet2. Board of Directors3. Company Website

DOCUMENT HISTORY

Version Number	Change Details	Approver	Approval date
1.0	Introduction of the Policy	Board of Directors	16.04.2021

Contents

1) Introduction	4
2) Objective	4
3) Applicability.....	4
4) Approval of Policy and Amendments thereto	4
5) Definitions	5
6) Key Principles	7
a) Top-level Commitment	7
b) Compliance	7
c) Obligatory disclosure	7
d) No actions under Conflict of Interest.....	7
e) Individual approach	7
f) Confidentiality.....	8
g) Investigation of violations.....	8
h) Communication and Training.....	8
7) Key Activities	8
a) Disclosure of Conflict of Interest.....	8
b) Reporting of violation of Policy.....	9
c) Investigation and Disciplinary Measures	9
d) Confidentiality.....	9
8) Miscellaneous	9
9) References	10

1) Introduction

- a) Nayara Energy Limited (the 'Company') adheres to high standards of professional and ethical conduct. The Company strives to conduct its business dealings and affairs in a fair and transparent manner, adopting the highest standards of professionalism in compliance with all the applicable laws, rules and regulations.
- b) We always expect our Directors, Employees and Associates to act in the best interest of the Company. This implies that all business decisions made by them should be free from any actual, potential or perceived Conflict of Interest or bias.
- c) A Conflict of Interest situation may occur or arise when the personal interest of any of our Directors, Employees or Associates conflicts with the interests of the Company. A conflict of Interest could adversely affect the Company in any of the following ways:
 - i) Have negative impact on the Company's business interests;
 - ii) puts the Company's reputation or relations at stake; and/or
 - iii) interferes with the judgment of any of our Directors, Employees or Associates while carrying out his/her responsibilities.
- d) The Company's interest shall be paramount and always take precedence over the Personal Interest of staff members. The Company's welfare and promotion of its interest shall be the only primary consideration for any staff members while taking decision or executing his duties.

2) Objective

- a) Consequent to the Company's endeavours to effectively prevent and combat risk of Corporate Fraud and Corruption, the purpose of this Policy is to set out the Company's approach to identify and manage Conflicts of Interests which may arise during the course of its business activities.
- b) The Policy also assigns responsibilities to disclose, mitigate and record conflict of interest.

3) Applicability

This Policy shall be binding on Directors, Employees and Associates of the Company. This Policy shall also be applicable to the subsidiaries of the Company after adoption by the Board of Directors of the respective entities.

4) Approval of Policy and Amendments thereto

- a) This Policy shall be approved for Nayara Energy Limited by a resolution of Nayara Board of Directors.
- b) The Policy shall be amended periodically including, but not limited to, happening of the following events:
 - i) changes in applicable legislation or practice of its enforcement;
 - ii) changes in powers of responsible persons or structural units; or

- iii) Identification of insufficient efficiency of measures to counteract Conflicts of Interest
- c) An explanatory note for rationale of changes to each policy and procedure on the basis of analysis of the current policy and procedure will be provided by the Chief Compliance & Security Officer.

5) Definitions

- a) **Associates:** All persons deployed under manpower supply or secondment agreements with the Company and/or discharging the employee support functions, advisors/consultants on retainer basis except law firms or lawyers/advocates.
- b) **Company:** Nayara Energy Limited.
- c) **Conflict of Interest:** A situation where personal interests of a person clash or contradict with the Company's interests, including influencing decision making, interfering execution of job responsibilities (own or others'), irrespective of whether such actions harm the rights, legal interests, property and/or business reputation of the Company or not. In a nutshell, a situation where business, financial, family, political or personal interests could interfere with the judgment of a person carrying out the duties on behalf of the Company. The Company recognises three major types of conflict of interest:
 - i) **Actual Conflict of Interest:** Where a direct conflict exists between the interests of the Company and the Personal Interests of Directors, Employees and Associates. Such Personal Interests include the Personal Interests of their spouses and/or their Dependents.
 - ii) **Potential Conflict of Interest:** Where there is no actual conflict of interest however, a conflict may arise due to the Personal Interests of non-Dependent Relatives or extended family of Directors, Employees and Associates.
 - iii) **Perceived Conflict of Interest:** Acts of Directors, Employees and Associates, which in the eyes of an external person, can be considered as contradicting/conflicting with the interests of the Company. These Conflicts of Interest could be due to affiliation of Directors, Employees or Associates with other persons, outside family ties, for example with former spouses, business associates, neighbours, friends, schoolmates; provided that such affiliations may create a fiduciary duty i.e. where either confidence or trust may be reposed or a sense of obligation may be created between the parties as an outcome of such an affiliation. Some examples of affiliations which could result in such fiduciary duties are:
 - (1) Live-in relationship, or otherwise similar relationships whether residing together or not;
 - (2) joint household;
 - (3) relationship through adoption, guardianship;
 - (4) participation in the personal expenses, repaying debt, healthcare, entertainment, etc.;
 - (5) regular joint leisure activities;
 - (6) presenting of expensive gifts/assets;

- (7) Illegitimate relationships, such that if legitimate it would have given rise to conflict of interest or perceived conflict of interest; or
 - (8) other circumstances which leads to show that the health and well-being of the other person is of concern to the person of interest.
- d) **Dependent:** A person who is totally or partially dependent on a Director, Employee or Associate for his day to day living.
 - e) **Director:** Director means a person appointed under provisions of Companies Act, 2013.
 - f) **Employee:** All persons on the rolls of the Company, part time or full time, temporary or permanent.
 - g) **Head of Department ('HoD'):** Business Head, Functional Head or Unit Head as defined in the Delegation of Authority Manual.
 - h) **Key Managerial Personnel:** Key Managerial Personnel shall have the same meaning as laid out in section 2(51) of the Companies Act, 2013
 - i) **Misconduct:** Misconduct means an improper conduct or wrongful behaviour. The term Misconduct has to be understood with reference to the Ethics Code, other policies applicable to the various categories of Employees, SOPs and various instructions issued by the management from time to time. It is made clear that the Misconduct may comprise of act of omission and commission and may be a single act or a series of acts committed by the Employee(s) in/without collusion with non-Employees.
 - j) **Personal Interest:** Any commercial or non-commercial interest of a Director, Employee or Associates and/or their Relative's or Dependent's, irrespective of whether it results in any personal benefit or not but has the ability of influencing their decision making capability while performing their day to day responsibilities for the Company.
 - k) **Policy:** For the purposes of this policy, means Conflict of Interest Policy.
 - l) **Relative:** 'Relatives' include:
 - (1) Members of Hindu Undivided Family;
 - (2) Spouse/live in relationships;
 - (3) Father, including step father;
 - (4) Mother, including step mother;
 - (5) Son (including step son) and his spouse;
 - (6) Daughter (including step daughter) and her spouse;
 - (7) Brother, including step brother;
 - (8) Sister, including step sister.
 - m) **Third Party:** Includes all entities and individuals, other than Director, Employee, Associate and Subsidiaries of Nayara Energy Limited, with whom the Company has or may have contractual

relationships. Without prejudice to the generality of the expression, Third Parties may include (but not limited to) consultants, agents, sales representatives, distributors, customs clearance agents, franchisees, vessel owners, dealers, traders, vendors, channel partners, contractors and suppliers, lawyers, tax advisers, introducers of business, brokers, lobbyists, bid participants and other professionals.

6) Key Principles

a) Top-level Commitment

- i) The CEO shall ensure that the Company maintains high standards of ethics in accordance with the Conflict of Interest Policy and shall be responsible for supervising the implementation of this Policy, including proposals to update this Policy, relevant Procedures and related Company Regulations.
- ii) The Chief Compliance & Security Officer ('CCSO') shall be responsible for developing measures aimed at preventing and mitigating Conflict of Interest, including developing amendments to this policy and getting approval from Board of Directors. All members of the Board of Directors, Management Committee and all HoDs are duty bound to implement measures to mitigate Conflict of Interest identified within the organisation.
- iii) To the extent possible any transactions with the Third Party will be suspended till the mitigation measures as provided by the CCSO are implemented. If a staff member while taking decision believes there exists any Conflict of Interest, he must also recuse himself from any decision making relating to the person through whom Conflict of Interest exists and report as per procedures set out.

b) Compliance

The Company commits to comply with current and applicable legislation while managing Conflicts of Interest

c) Obligatory disclosure

Any event, fact or relationship that influences/clouds the capacity of any staff member to take an objective decision must be immediately reported to the CCSO in accordance with the Conflict of Interest Procedures. Once the CCSO is notified of the Conflict of Interest, he must put into place mitigation measures as per the procedures set out in section 5 of Conflict of Interest Procedures;

d) No actions under Conflict of Interest

Refusal of a staff member to act in a situation characterized by a Conflict of Interest before the mitigation measure is implemented or the absence of Conflict of Interest is confirmed.

e) Individual approach

An individual approach to considering situations characterized by a Conflict of Interest, assessing the risks leading to reputational risks for the Company, and taking measures to resolve them;

f) Confidentiality

Ensuring the confidentiality of information provided by a staff member in a situation characterized by Conflict of Interest

g) Investigation of violations

The Company shall investigate, as appropriate all reasonably substantiated reports of violations of this Policy in accordance with the Hotline Whistle-Blower Policy.

h) Communication and Training

- i) To create awareness, this Policy shall be hosted on the Company's intranet and also freely published on the official website of Nayara Energy Limited.
- ii) The Company imparts necessary trainings to all new hires and further, periodic refresher trainings to its existing Directors, Employees and Associates to maintain and reinforce compliance with Conflict of Interest legislation.

Following these principles, Directors, Employees and Associates should not directly or indirectly influence decision-making in the Company in the event of an actual, potential or perceived conflict of interest.

7) Key Activities

a) Disclosure of Conflict of Interest

- i) Directors, Employees and Associates must:
 - (1) Make a timely, full and fair disclosure of all Actual, Potential or Perceived Conflicts of Interest in the Compliance Questionnaire, initially upon joining the Company and thereafter annually and also whenever a new conflict arises or ceases to exist. The procedure is further elaborated in Conflict of Interest Procedures;
 - (2) Refrain from taking advantage of personal opportunities that are discovered through the use of Company property, information or position, including receiving personal discounts or other benefits from suppliers, service providers or customers that are generally not available to others;
 - (3) Make sure that there exists no unmitigated risk of Conflict of Interest during selection of Third Parties and signing contracts with them;
 - (4) Not accept gifts or favours from Third Parties that could compromise their loyalty to the Company or objective decision making ability, even if due process has been followed as per Company Regulation on Gifts & Hospitality;
 - (5) Not enter in any other employment part time/full time or gratis, business whatsoever or hold any office of profit or accept any other emoluments without previous consent in writing from the Chief People Officer. For a detailed procedure for seeking such consent, refer to Conflict of Interest Procedures;
 - (6) Recuse themselves from any decision making regarding any Conflict of Interest; and
 - (7) Execute measures to prevent or mitigate such Conflicts of Interest.

- ii) Executive Directors and Key Managerial Personnel of the Company can take directorship in other companies after taking requisite approvals in compliance with provisions of the Companies Act, 2013. Non-Executive Directors can take directorships in other companies and disclose the same in compliance with applicable provisions of Companies Act, 2013.
- iii) The Company shall consider the following while managing Conflict of Interest:
 - (1) Every event/existence of any Conflict of Interest shall be objectively and individually examined, appraised and must be mitigated in accordance with the Conflict of Interest Procedures; and
 - (2) All disclosures of Conflict of interest shall be kept confidential.

b) Reporting of violation of Policy

- i) Nayara Energy is committed to adhere to high standards of ethical, moral and legal conduct of business operations. Nayara Energy has set up Hotline Whistle-Blower Channels to report any actual or suspected violations of this Policy i.e. any such matters may be reported using any one of the following hotline whistle-blower channels:
 - (1) Web Interface: Visit whistleblower.nayaraenergy.com
 - (2) Toll Free Hotline Telephone line and Interactive Voice Recording (IVR) System: Call our toll free number - 1800 266 2800.
 - (3) Email: write to us at hotline@nayaraenergy.com.
 - (4) Post/Letter: Send a letter via post to our Corporate Office addressed to our Chief Compliance & Security Officer
 - (5) In person: Meet our Chief Compliance & Security Officer in person at our Corporate Office
- ii) For more details, refer to the Hotline Whistle-Blower Policy.

c) Investigation and Disciplinary Measures

As an outcome of any investigation conducted under the Hotline Whistle-Blower Policy, if a violation this Policy is established, the Director/Employee/Associate breaching the rules will be subject to disciplinary actions as laid out in the Disciplinary Policy and/or any other proceedings as per law including proceedings for recovery of loss caused to the Company due to conflict of interest.

d) Confidentiality

The Company, as required by the Hotline Whistle-Blower Policy, endeavours to protect the identity and anonymity of any individual who reports a complaint alleging actual or suspected violation(s) of this Policy. Hence, in case of a reported concern, it shall be handled with appropriate confidentiality in accordance with the Hotline Whistle-Blower Policy.

8) Miscellaneous

- a) In this Policy wherever context permits singular shall mean plural and the plural shall mean singular, masculine gender shall mean feminine gender and vice-versa.

- b) This Policy shall be read along with the Ethics Code.
- c) This Policy can be changed, modified or amended at any time by the Board of Directors of Nayara Energy Limited. However, if any difficulty arises in giving effect to the provisions of this Policy, the CEO may, in writing, make such provisions, as appear to be necessary or expedient for removing the difficulty.
- d) For any clarifications on this Policy, please approach the Chief Compliance & Security Officer by writing to ccso@nayaraenergy.com
- e) Any violation of this Policy shall be deemed to be a misconduct and will be dealt with the provisions of Disciplinary Policy of the Company and applicable laws.

9) References

Reference
Companies Act, 2013