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**Nayara Energy Limited**

Registered Office:

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

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**Anti-Corruption Policy**

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**DOCUMENT CONTROL**

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1.0	Introduction of the Policy	Board of Directors	01.04.2017
2.0	Reintroduction of Policy following change in Management	Board of Directors	18.12.2020

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Internet Version

## 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) The Company and its subsidiaries are subject to Anti-Corruption legislations, including the Prevention of Corruption Act, 1988 (as amended) and other applicable local laws in India and in jurisdictions of locational presence. Further, the Company is committed to compliance with all applicable laws and regulations, including but not limited to the Foreign Corrupt Practices Act, 1977 (a federal law of the United States of America), the Bribery Act, 2010 (an Act of the Parliament of the United Kingdom), to the extent applicable to the Company. Additionally, compliance with global legal enactments, to the extent applicable, must also be ensured such as:
  - i) United Nations Convention against Corruption (adopted in New York on 31.10.2003 by Resolution 58/4 at the 51st plenary meeting of the 58th session of the UN General Assembly);
  - ii) Convention of the Organization for Economic Cooperation and Development on combating bribery of foreign officials in international business operations (adopted in Istanbul 21.11.1997); and
  - iii) Criminal Law Convention on Corruption (concluded in Strasburg 27.01.1999 ETS № 173).
- c) Anti-Corruption Policy (the 'Policy') intends to guide Directors, Employees and Associates to recognize corrupt and unethical business practices and to steer themselves away from them. Directors, Employees and Associates must seek necessary guidance in this regard, wherever required, while they discharge their day-to-day duties.
- d) Directors, Employees and Associates must adhere to the requirements of this Policy in letter and in spirit.
- e) This Policy should be read in conjunction with the Ethics Code and other relevant Policies, Procedures and Company Regulations, if any.

## 2) Objective

The purpose and objective of this Policy are:

- i) To create an honest and transparent culture that permeates throughout the organisation;
- ii) To achieve "zero tolerance" approach towards Bribery and Corruption and further, to prevent retaliation for:
  - (1) refusal to give or receive a bribe, to engage in commercial bribery or to mediate in bribery, including if as a result of such refusal the Company has incurred losses, lost profits, and has not gained a commercial and/or competitive advantage; and
  - (2) report in good faith any alleged violations, corruption, other abuses or lack of effectiveness of existing control procedures, combat and prevent Corruption by creating awareness & taking punitive actions.

- iii) Preventing Corruption through adequate procedures to combat Bribery and Corruption.

### 3) Applicability

This Policy shall be binding on Members of the Board of 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 anti-corruption 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 corruption, etc.
- 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.
- d) The Company shall also conduct Anti-Corruption review of draft Policies, Procedures and Company Regulations on approval and/or enforcement of such Policies, Procedures and Company Regulations and amendments thereto.

### 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) **Anything of value:** Without affecting the generality, 'Anything of value' includes not only cash or cash equivalents but also includes non-cash or in kind benefits. Further, there is no de minimis threshold; rather, the perception of the recipient and the subjective valuation of the thing conveyed is a key factor in determining whether 'Anything of Value' has been given/taken. A detailed/explanatory note on what may constitute 'Anything of Value' are given in **Appendix A**.
- c) **Bribery/Corruption:** Bribery/Corruption generally involves abuse of power, abuse of authority, paying or offering money or providing or receiving Anything of Value, to obtain or retain a business or another advantage (that they would ordinarily not be entitled to) or to induce or reward someone for acting improperly. Bribes often involve payments (or promises of payments), but may also include providing/accepting inappropriate gifts and hospitality or the uncompensated use of services. Bribery can also occur in circumstances where the advantage or reward is being given or received indirectly to/by someone other than the person involved. Bribery includes advantages provided directly, as well as indirectly through an intermediary. Bribery/Corruption also include Bribes, Kickbacks, Corrupt activities and Facilitation Payments.

- d) **Charity:** Voluntary activities of the Company aimed at altruistic (gratuitous or on special conditions) transfer of property, funds, altruistic rendering of services, providing other support to individuals or entities, except activities covered by CSR Policy. Charity includes Charitable Activities and Charitable Contributions.
- e) **Company:** Nayara Energy Limited.
- f) **Corruption Risk:** risk of non-compliance with the applicable Anti-Corruption legislation includes:
  - i) The risk of Corruption and Bribery actions committed by the Directors, Employees, Associates or Third Parties of the Company on its behalf or in its interests;
  - ii) The risk of applying sanctions/prosecution/penalties or other significant financial loss to the Company based on the results of investigations by law enforcement agencies of India and other countries, whose Anti-Corruption Legislation extends to the Company.
- g) **Close Associates:** Close Associates are individuals who are closely connected to a PEP, either socially or professionally.
- h) **Director:** Director means a person appointed under provisions of Companies Act, 2013.
- i) **Employee:** All persons on the rolls of the Company, part time or full time, temporary or permanent.
- j) **Entertainment:** an event, performance or activity designed to entertain others and includes, but is not limited to sporting events, plays, shows, performance, presentation, production, staging, spectacle, extravaganza, concerts, boat rides, movies, adventure activities, etc.
- k) **Facilitation Payments:** Payments made with the purpose of expediting or facilitating the performance by a Public Official of a routine governmental action. Facilitation Payments are typically demanded/offered by/to Public Officials to obtain services that, under normal conditions, should be provided in any event. Facilitation Payments are a form of Bribery.
- l) **Gifts:** something given within the scope of social formality, voluntarily without expecting payment in return, as to show favour toward someone, honour an occasion, or make a gesture of assistance. Gifts should not be Anything of Value.
- m) **Heads of Departments ('HoD'):** Business Head, Functional Head or Unit Head as defined in the Delegation of Authority Manual.
- n) **Hospitality:** This includes, but is not limited to Entertainment, travel and accommodation, food and drinks provided voluntarily without expecting payment in return, by the Company to its guests, business partners, Third Parties or other individuals or entities. This Hospitality does not include accommodation, travel, food & refreshment given by virtue of a contract.
- o) **Kickback:** Without prejudice to the generality of the term, a Kickback will include an illicit payment made to someone in return, as an inducement for influencing decision of a person.
- p) **Lobbying:** Lobbying is the act of communicating with lawmakers and other Public Officials on laws and regulations in an attempt to influence decisions made by Public Officials, who are most often legislators, bureaucrats or members of regulatory bodies. Any individual/organisations that undertake Lobbying activities are called Lobbyists.

- q) **Policy:** Anti-Corruption Policy.
- r) **Political contributions:** These include any direct or indirect donations or contributions that are intended to support any political party or its activities. They also include any monetary or other benefits such as provision of goods, services and 'Anything of value'.
- s) **Politically Exposed Person ('PEP'):** A politically exposed person includes a political party or official, candidate for political office in India or abroad, a person who has been entrusted with a prominent public function and his/her immediate family member or Close Associates.
- t) **Public Official:** The term 'Public Official' is a broad one and includes:
  - i) Government employees at any level of a government (Indian or foreign) and local, city, municipal, state, central and federal personnel, law enforcement officials, judiciary officials, etc.
  - ii) All officers or employees of the government department, agency, ministry (or instrumentality), including authorities that handle taxation, licensing, permits, etc.
  - iii) Any person acting in an official capacity on behalf of the Indian Government or a foreign government or any department, agency, ministry or instrumentality.
  - iv) Any employee or officer of an entity/agency/party hired or otherwise engaged to prepare a request for a proposal or invitation for bids or to review and/or accept bids for any national, state, provincial or local government or any department or agency.
  - v) Officers or employees of a company, bank, financial institution or business, owned or controlled in whole or in part by a national, state or local government, a 'state-owned enterprise' or of any department or agency,
  - vi) Officers or employees of an international public organization, such as the United Nations, the World Bank or other similar entities
  - vii) Elected officials, civil servants and military personnel from within India or abroad
  - viii) Any person within the definition of Public Servants as defined under Indian Prevention of Corruption Act (as amended)
  - ix) Immediate family member (meaning a spouse, dependent child, sibling, parent, or household member) of any of the foregoing shall also be considered as Public Officials
- u) **Senior Management Team:** The following Business Heads and Corporate Function Heads (together the "Senior Management Team"), report administratively/functionally to the Chief Executive Officer to conduct the day to day management of the Company's operations and functions as delegated to them:
  - i) Director & Head of Refinery
  - ii) Chief Marketing Officer
  - iii) Chief Commercial Officer
  - iv) Chief Financial Officer
  - v) Chief Development Officer



- vi) Company Secretary
  - vii) Chief People Officer
  - viii) Chief Information Officer
  - ix) Chief Internal Audit Officer
  - x) Head Procurement
  - xi) Chief Compliance & Security Officer
- v) **Sponsorship:** Sponsorship is a cash and/or in-kind fee for an association with a program or event (typically in sports, arts, cultural, entertainment, etc.) (Or a promise for certain prize etc. to the winner/participant) with a view to gain publicity, branding or advertising associated with that program or event. Examples of sponsorships could be including, but not limited to:
- i) events including exhibitions, forums, conferences, round tables, seminars, trainings, sessions, plenary meetings;
  - ii) sporting events;
  - iii) cultural events;
  - iv) social activities;
  - v) patriotic events; or
  - vi) financial or other support granted towards a study, research, review or any advocacy issue impacting the Company's business interests.
- w) **Sanctions:** laws, regulations, governmental orders, directives, rules, licenses or requirements of any country(s), international organization with jurisdiction over the relevant transaction, which relate to trade controls, import controls, export controls, transfer controls, embargoes, international boycotts or other sanctions of any type.
- x) **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.
- y) **Undue Advantage:** means any gratification whatever, other than legal remuneration and shall have the same meaning as in the Indian Prevention of Corruption Act, 1988 (as amended).

## 6) Key Principles

### a) Top-level Commitment

- i) Senior management of the Company, including members of Board of Directors, CEO, other Management Committee ('MC') members and Heads of Department ('HoD'), have adopted a 'zero tolerance' approach to any form of Bribery and Corruption within the Company.

- ii) The CEO shall ensure that the Company maintains high standards of ethics in accordance the Anti-Corruption Policy and shall be responsible for supervising the implementation of this Policy, including proposals to update this Policy, relevant Procedures and related Company Regulations.
- iii) The Chief Compliance & Security Officer ('CCSO') shall be responsible for developing measures aimed at preventing and combating corruption, including developing amendments to this policy and getting approval from Board of Directors, developing Anti-Corruption Procedures and related Company Regulations. The CCSO shall develop a report on the implementation, and operational effectiveness of procedures for risk management and internal control system to combat corruption and forward it to the CEO for consideration.
- iv) Regular Corruption Risk Assessment shall be conducted as per the Anti-Corruption Procedures.

**b) Commitment to ethical conduct**

Any direct or indirect interaction with any person, including any offers, promises or solicitation, and exchange (giving/receiving) of 'Anything of value' should comply with the following:

- (1) It should be for a legitimate business purpose;
- (2) It should not be carried out with a corrupt intention, i.e. to influence or reward an action or decision, in order to obtain, retain or direct business or to seek an Undue Advantage (including gratification);
- (3) It should neither impose a sense of obligation on the recipient nor should there be any expectation that any Director, Employee, Associate or anyone else shall receive anything in return;
- (4) It should not create any self-interest or threat to independence (due to familiarity) or create any actual, potential or perceived conflict of interest; and
- (5) It should conform to the Ethics Code, applicable policies and procedures, laws and Company Regulations.

Directors, Employees and Associates should be prompt to report any non-compliance of the above.

**c) Zero Tolerance towards Bribery/Corruption**

- i) The Company is committed to prevent and deter any form of Bribery and/or corrupt business practices and promotes fair dealing with all Third Parties. Directors, Employees and Associates must conduct business with honesty and integrity with Third Parties.
- ii) Directors, Employees or Associates are prohibited from soliciting, offering or accepting any form of Bribes or Kickbacks. Bribes and Kickbacks can include, (but are not limited to):
  - (1) Gifts, entertainment & Hospitality in violation of the relevant Company Regulations on Charitable Contributions, Sponsorship arrangements, etc. in violation of the relevant Company Regulations;

- (2) Cash and cash equivalents;
- (3) Improper and uncompensated use of the Company services, facilities or property; or
- (4) Other favours, provided to Public Officials or other individuals, directly or indirectly whom the Company would benefit from influencing.
- iii) Similarly, if any person solicits or offers a Bribe from/to our Directors, Employees, or Associates, they should refuse from making or accepting any such payments.
- iv) Directors, Employees or Associates are strictly prohibited from, providing/seeking favours or secret commissions, blackmail, or abusing their position within the Company or instigating or abating individuals to influence the actions of others.
- v) Additionally, the Company prohibits Directors, Employees or Associates from making any sort of Facilitation Payments.
- vi) The Company shall investigate every case of reasonable suspicion or incident of Bribery/Corruption related to the Company. Refer section 6 (g) and (h) titled “Reporting of Bribery/Corruption and Suspicious Activity” and “Investigation of violations” respectively.

**d) Regular Corruption Risk Assessment**

The Company shall identify, assess and periodically reassess Corruption Risks within its areas of operations. When identifying the risk, the Company shall take into account all available information on its existing and planned activities.

**e) Segregation of incompatible duties**

The Company shall maintain segregation of incompatible/conflicting duties and shall not allow consolidation of job functions relating to the implementation of a process and monitoring/evaluation of that process. This endeavour shall be undertaken in order to minimize opportunities to commit and conceal corrupt activities. The Company shall additionally consider carrying out job rotations where similar roles are available in multiple locations.

Provided that in case such segregation of incompatible/conflicting duties is not possible; the Company will take appropriate mitigation measures to reduce the risk of corrupt practices to the minimum.

**f) Due Diligence**

The Company shall conduct due diligence regarding Third Parties and prospective hires (i.e. background verification) as regards their good faith, zero tolerance to corruption and conflict of interest before deciding whether to commence or continue business/employment relations.

**g) Reporting of Bribery/Corruption and Suspicious Activity**

If any Director, Employee or Associate becomes aware of any actual or suspected violation of this Policy or receives any such complaint, he shall immediately report the same by using the reporting mechanisms as detailed in the Hotline Whistle-Blower Policy. Further, the Company

urges/encourages its Third Parties, to report any instances of actual or suspected violations of this Policy via our Hotline as detailed in the Hotline Whistle-Blower Policy.

***h) 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 to prevent and combat corruption and bring to justice those responsible for those violations, as per applicable law and/or policies of Nayara Energy Limited. The Company shall not tolerate retaliation of any kind against any individual for reporting any actual or suspected violations of this Policy.

***i) 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 an appropriate Anti-Corruption culture.

***j) Monitoring & supervision***

- i) The Company shall monitor the implemented procedures for preventing and combating corruption in terms of their efficiency and shall supervise compliance therewith.
- ii) There shall be continuing control over the economic justifiability of expenses incurred especially in high-risk areas, which include: exchange of business gifts, business hospitality expenses, charitable and sponsor activities, payment of remuneration to external consultants, agents, intermediaries and marketing expenses.

**7) Key Activities**

***a) Interaction with PEPs***

- i) Directors, Employees and Associates shall not give/offer a contribution to political parties, political organisations or campaigns, or election candidates on behalf of the Company unless authorised by the Board of Directors in line with the requirements of Companies Act, 2013. No such payments shall be authorised unless:
  - (1) they are made in accordance with all local country legal requirements and requirements of this Policy;
  - (2) they are appropriately documented and reported, if required by local law;
  - (3) they are not conditional on a course of action by any individual or organisation – there must be no quid pro quo; and
  - (4) they are not made to secure any undue business or other advantage.
- ii) The Company acknowledges the right of its Directors, Employees or Associates to be personally involved in political activities in their free time, if such participation:
  - (1) is carried out at their own expense;
  - (2) is not associated with or related to the business/activities of the Company;

- (3) is consistent with their obligations and official duties relating to their employment/association with the Company;
- (4) is not carried out using the Company resources, Company's social platforms or projecting themselves as acting for or on behalf of or as representatives of the Company; and
- (5) does not sully the image of the Company.

Employees shall engage in such activities only after making disclosure of the same to the Company as per the Conflict of Interest Policy.

- iii) The Company may make contributions to a Political Party and/or electoral trusts/bonds only after obtaining prior approval of the Board of Directors and in compliance with the provisions of the Companies Act, 2013.
- iv) Directors, Employees and Associates of the Company must not use their position in the Company to coerce or pressure other Directors, Employees and Associates to make contributions to or support or oppose any political candidates, elections, etc.

**b) Lobbying**

Directors, Employees and Associates are prohibited either directly or indirectly from unlawful Lobbying or interacting with Lobbyists to unlawfully influence legislations, decrees or other approvals to benefit the Company or its current or prospective customers.

**c) Charities**

- i) Charitable Contributions might be, in some circumstances, used to disguise Bribery/Corruption. Therefore, the Company must ensure that Charitable Contributions do not constitute a Bribe and due diligence on any Third Parties engaged for such activities is undertaken as per Third Party Due Diligence Policy (as elaborated in Company Regulation on Charities). All Charitable Contributions and Charitable Activities must be in accordance with applicable law and in compliance with Company Regulation on Charities.
- ii) Contributions to be made under the Corporate Social Responsibility Policy shall be governed as per the provisions of the Corporate Social Responsibility Policy.

**d) Sponsorships**

- i) The Company may organize and/or sponsor various events, seminars, marketing events, conferences and promotional or interactive events, where the attendees may include current or prospective customers, business partners and/or other Third Parties and also may include Public Officials/PEPs. Bribery/Corruption may be disguised as Sponsorships in certain circumstances.
- ii) The Company is required to ensure that Sponsorship payments do not constitute a Bribe and conduct due diligence on any Third Parties engaged for such activities as per Third Party Due Diligence Policy (as elaborated in Company Regulation on Sponsorships). All payments towards Sponsorships are to be made in accordance with applicable law and Company Regulation on Sponsorships.

***e) Gifts, Entertainment & Hospitality***

- i) Exchange of Gifts as well as the provision of Hospitality may contribute to maintaining long term or mutually beneficial relationships. However, in certain circumstances, offering/receiving Gifts or Hospitality may be construed as an act of Bribery/Corruption.
- ii) When dealing with Public Officials, Directors, Employees and Associates should take cognizance of the specific government policies/rules that govern giving gifts or offering entertainment or hospitality to Public Official e.g. All India Services (Conduct) Rules, 1968 amongst other rules.
- iii) Gifts, entertainment & Hospitality shall be extended/received in accordance with the Company Regulation on Gifts & Hospitality.
- iv) As a general principle, Gifts, entertainments & Hospitality given or received should not constitute 'Anything of value' and should be at best a social formality only and not designed to influence a specific decision or compromise the integrity or objectivity of the recipient.
- v) Aside from exceptional situations, the Company generally prohibits receipt of Gifts by its Directors, Employees and Associates. These exceptional situations are elaborated in the Company Regulation on Gifts & Hospitality.

***f) Accounting & Book Keeping***

- i) All business receipts and expenditures must be supported by documents that accurately and properly describe the expenses incurred. Falsification of books of account or any other record of the Company, including the use of false or misleading invoicing and the submission of any false personal expense claims is strictly prohibited.
- ii) To exercise effective control and monitor compliance to this Policy, expenses related to Public Officials/PEPs, Gift & Hospitality expenses, Political Contributions, Charitable Contributions, Sponsorships, should be booked under distinct accounting heads with clear and sufficient description.

***g) Engaging Third Parties***

- i) Third Parties engaged by the Company shall not give/offer any bribe or anything in cash/cash equivalents or in kind which may be an act of Bribery, during the course of their work on behalf of the Company or for the Company's benefit. Directors, Employees, or Associates must not authorise or endorse any such actions by a Third Party.
- ii) Anti-Corruption laws impose liability on individuals/entities that become involved not only in direct but also indirect acts of Bribery. The Company may therefore incur criminal and civil liability where Third Parties indulge in any act of Bribery or give/offer a facilitation payment in the course of their work on the Company's behalf, or otherwise for the Company's benefit. This exposure can arise even where Directors, Employees or Associates did not themselves authorise any Bribe, undue advantages or Facilitation Payments. Directors, Employees or Associates must follow this Policy and Anti-Corruption Procedures such that improper payments or advantages are not offered or accepted by Third Parties or their representatives on behalf of the Company and the requirements



detailed in section 7(g)(iii) and 7(g)(iv) below must be followed when engaging with a Third Party.

- iii) To minimize the Corruption Risk associated with interactions with Third Parties and to emphasize the need to act firmly within ethical and legal boundaries, the Company shall undertake on-boarding, diligence and monitoring of Third Party interactions as per the Third Party Due Diligence Policy.
- iv) Directors, Employees or Associates who recommend or appoint Third Parties should avoid, to the best possible extent, appointing a Third Party which is suspected of Bribery/Corruption. The Company shall:
  - (1) Identify and record all prospective contracts with Third Parties that may involve interaction with Public Officials/PEPs (as defined herein).
  - (2) Incorporate a clause in all contracts with Third Parties which will assure the Company that the funds transferred/to be transferred to the Company as consideration or otherwise will not come from any prohibited source/jurisdiction (FATF blacklisted) or in violation of Sanctions or in violation of any anti-terrorism laws to counteract the legalization of proceeds from crime (money laundering). Refer to the Anti-Money Laundering Policy for text of the recommended clause;
  - (3) Ensure that there is no unmitigated conflict of interest of its Directors, Employees or Associates involved in decision making relating to the concerned Third Party; and
  - (4) Incorporate an Anti-Corruption clause in the contract with Third Party. Recommended text of the Anti-Corruption clause and the steps to incorporate the clause into Third Party agreements are in the Anti-Corruption Procedures.

**h) Background verification process**

To pre-empt, identify and/or mitigate the risk of Corruption, the Company will conduct background verification for all new full time recruits across divisions and levels as per the Background Verification Process Flow.

**i) Mergers, acquisitions & Joint Ventures**

- i) For every transaction involving mergers, acquisitions and joint ventures, the Company shall, as part of the due diligence process, cover Anti-Corruption matters, before the transaction is approved, to evaluate the existing risks and control framework of the entity proposed to be acquired/merged or jointly controlled.
- ii) The Company shall inform potential partners in joint ventures and its Third Parties about the principles and requirements of this Policy.

**j) Regular Corruption Risk Assessment**

- i) The Company acknowledges the need for management of Corruption Risk notwithstanding probability of its occurrence and possible impact.
- ii) The Company shall regularly undertake Corruption Risk Assessment, which shall:
  - (1) identify Corruption Risks the Company might reasonably anticipate;

- (2) analyse, assess and prioritize the identified Corruption Risk/vulnerable areas; and
- (3) evaluate the suitability and effectiveness of the existing mitigating controls.
- iii) Within the course of identification and analysis of Corruption Risk, it is crucial to identify, high risk business processes, functions and areas to implement appropriate entity and process level controls/procedures/measures.
- iv) Consequently, corrective and preventive actions will be recommended by HoDs in consultation with the Compliance & Security Department. The respective HoDs will be responsible for implementing aforesaid corrective and preventive actions.
- v) The Corruption Risk Assessment shall be reviewed:
  - (1) on a regular basis and reassessed on a periodic basis so that changes and new information can be properly assessed based on timing and frequency as prescribed by the Company; or
  - (2) in the event of a significant change to the structure or activities of the Company.

**k) Auditing**

The Internal Audit Department shall be responsible for conducting periodic audits to assess the process design and effectiveness of internal controls with respect to mitigating Corruption Risks. The scope and frequency of the audit will depend largely on the results of risk assessment and previous audit findings. The consequential recommendations to combat Corruption will be implemented by the respective HoDs to strengthen the control framework of the Company. Any audit findings that indicate Company's involvement in corrupt activities shall be reported and investigated under the Hotline Whistle-Blower Policy.

**l) Reporting of Bribery/Corruption and Suspicious Activity**

- i) Nayara Energy is committed to adhere to high standards of ethical, moral and legal conduct of business operations, including the measures against bribery, corruption and corporate fraud, as well to manage conflict of interest situations. 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](http://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](mailto: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.



***m) Investigation and Disciplinary Measures***

- i) As an outcome of any investigation conducted under the Hotlist Whistle-Blower Policy, if a violation of Anti-Corruption legislation or 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 other consequences/liabilities as per law. In case of violation(s) of applicable Anti-Corruption legislation or Key Principles of the Policy by Third Parties, suitable action may be considered in light of legal recourse available, including the option to terminate the contract.
- ii) The Company shall require indemnification in each case when a person/persons guilty of or involved in corruption is identified.
- iii) Damage caused by a Director, Employee or Associate, subject to grounds for it, shall be indemnified, regardless of the disciplinary, administrative or criminal liability for action/inaction, which caused damage to the Company within the established norms of applicable legislation and in accordance with relevant policies and procedures establishing a mechanism for indemnification for losses and damage caused to the Company.

***n) 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.

***o) Interaction and Coordination***

The Company shall coordinate the actions of all Members of the Board of Directors, Management Committee and other members of Senior Management Team, to combat corruption activities among themselves. The Company shall interact with government authorities, local government bodies and law enforcement bodies in the process of combatting corrupt activities.

**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](mailto: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
Prevention of Corruption Act, 1988
Prevention of Corruption (Amendment) Act, 2018
Foreign Corrupt Practices Act, 1977
Bribery Act, 2010
United Nations Convention against Corruption
Convention of the Organization for Economic Cooperation and Development on combating bribery of foreign officials in international business operations
Criminal Law Convention on Corruption

### **Appendix A: Explanatory note on what may constitute Anything of Value**

Anything of Value: Without prejudice to its generality and grammatical meaning, Anything of Value shall also include the following:

- a. a pecuniary item, including money, or a bank bill or note;
- b. a promissory note, bill of exchange, order, draft, warrant, check, or bond given for the payment of money;
- c. a contract, agreement, promise, or other obligation for an advance, conveyance, forgiveness of indebtedness, deposit, distribution, loan, payment, pledge, or transfer of money not in ordinary course of business and/or not at arm's length;
- d. a stock, bond, note, or other investment interest in an entity;
- e. a right in action;
- f. loan or forgiveness of indebtedness;
- g. a work of art, antique, or collectible;
- h. an automobile or other means of personal transportation;
- i. real property or an interest in real property, including title to realty; a fee simple or partial interest, present or future, contingent or vested, within realty; a leasehold interest; or other beneficial interest in realty;
- j. a rebate or discount in the price of anything of value unless the rebate or discount is made in the ordinary course of business without regard to that person's status;
- k. a promise or offer of employment whether or not resulting in employment; or
- l. any other thing of value that is pecuniary or compensatory in value to a person, or the primary significance of which is economic gain.

However, Anything of Value does not include:

- a. a campaign contribution for any PEP in compliance with the policies and procedures prescribed by law and the Company Regulations;
- b. a usual and customary commercial loan made in the ordinary course of business, without regard to the recipient's status;
- c. informational or promotional items that are not lavish or luxury items;
- d. educational items;
- e. food and beverages consumed on the Company's premises including the premises where the Company has organized its event or is participating in an event, in line with relevant Company Regulations;
- f. the cost of attendance or participation, and of food and beverages consumed, at Company's events;

- g. gifts from a person related by blood or marriage;
- h. the cost, paid, reimbursed, raised, or obtained for attendance or participation, and for food and beverages consumed at, and funds, goods, and services provided for conducting events sponsored or coordinated by any Government, Multistate or National Organizations of, or state legislators if (to the extent possible) the attendance and expenditures are approved in advance by the company;
- i. the cost of attendance or participation provided by the sponsoring entity, of lodging, and of food and beverages consumed, at events sponsored by or in conjunction with a civic, charitable, governmental, trade association, or community organization if approved by the Company;
- j. anything for which the recipient pays or gives full value; or
- k. any goods or services provided to meet any emergency, if approved by the Company post-facto.