

NALWA SONS INVESTMENTS LIMITED

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**ANTI-BRIBERY AND ANTI-CORRUPTION
POLICY**

(Approved by the Board of Directors on May 30, 2023)

SECTION I - GENERAL

1. Objective

The purpose of Anti-Bribery and Anti-Corruption (ABAC) Policy is to ensure Nalwa Sons Investments Limited (hereinafter referred to as "NSIL" OR "the Company") conducts its operations and business activities in consonance with applicable laws, highest ethical standards and ensure the prevention as well as detection of fraud, bribery, and corruption. This Policy aligns seamlessly with our unwavering commitment to preventing corruption, as enshrined in the NSIL Code of Conduct and Ethics.

2. Scope and Applicability

The Anti-Bribery and Anti-Corruption Policy ("Policy") applies to all employees of NSIL to the extent applicable (hereinafter referred to as "NSIL" OR "the Company") who engage in any activities on behalf of the Company involving Customers, Third Parties, or Government Officials.

NSIL Personnel must conduct their activities in full compliance with the Policy and any applicable anti-bribery & anti-corruption laws, including the Indian Prevention of Corruption Act, 1988 and any anti-bribery & corruption laws in effect in the jurisdictions where any NSIL Entity conducts business.

3. Definitions

- **Bribe:** Anything of value offered that may be perceived as an attempt to influence an action or decision to obtain or retain business or acquire an improper advantage.
 - i. Anything of value: Anything of value means and includes money, gifts, favours, use of company resources, donations (in kind and money), employment, internships, entertainment, or other items of value.
 - ii. Improper advantage: Examples of 'improper advantage' include but are not limited to unduly influencing the procurement process, improperly influencing to obtain favourable audit findings, gaining access to non-public bid tender information, evading taxes, obtaining licenses/permits or penalties etc.
 - iii. Bribe includes any form of kickback.
- **Corruption:** Corruption is a form of dishonest, fraudulent, or otherwise unethical or illegal conduct by a person in a position of power or public trust (like a public official), based on improper influence. It is an abuse of power or public trust for private gain.
- **Kickback:** A kickback is a type of bribe where two parties collude with each other

so that they both gain from the exchange. A kickback can be anything of value, including monetary reward, fee, commission, credit, gift, gratuity, loan, entertainment, service, or compensation of any kind that is provided in exchange for a favour.

- **Facilitation Payments:** A facilitation payment is a payment to secure or accelerate routine governmental actions. Employees from whom facilitation payments are solicited should politely but clearly decline to make such payments, citing this Policy and applicable laws unless there is a threat to employee safety. Any such request should be reported promptly to the Ethics Head and the Compliance Officer.
- **Conflict of Interest:** “Conflict of Interest” occurs when personal interest of any employee of NSIL interferes or appears to interfere in any way with the interests of the company. Conflict of Interest includes but is not limited to, a director or an employee who is a party to, or who is a director or an employee of, or who has a material interest in, any person who is a party to a material contract or proposed material contract with NSIL. It also means any situation that could reasonably be expected to impair their ability to render unbiased and objective advice / decision / recommendation or that could reasonably be expected to adversely affect that person’s responsibility towards NSIL.
- **Ethics Head:** The Ethics Head serves as the organization's internal control point for ethics and improprieties, allegations, complaints, and conflicts of interest and provides corporate leadership and advice on corporate governance issues.
- **Chief Compliance Officer:** Individual designated by the Board of Directors of the Company as having functional responsibility for implementation and management of the procedures in this Policy and other relevant compliance policies.
- **Government Official:** Many anti-bribery laws, such as the Indian Prevention of Corruption Act, 1988, specifically focus on dealings with any type of government official. All interactions with government officials must comply with this Policy and with all applicable laws, rules, and regulations. All such interactions must adhere to our commitment to act in compliance with the highest ethical standards and to conduct business honestly and legally. Employees should not create the appearance of impropriety regardless of whether there was any improper intent.

A Government Official includes any officer or employee, or anyone acting on their behalf, of any department, agency, or instrument of a government (at any level), including foreign governments. This includes (but is not limited to):

- a) Any person within the definition of the term ‘public servant’ under the Prevention of Corruption Act, 1988;
- b) Employee of a company which is majority-owned by a state or state-owned entity or in which the state exercises veto power or controls operational decisions;
- c) Employees and members of the military services, civil services or judicial system of any country;

- d) Employee of a public sector banking company in India;
- e) Political party and any officer, employee or other person acting on behalf of a political party;
- f) Candidate for public office;
- g) Member of a ruling family;
- h) Officer of any Body, whether public or private, that has delegated powers to administer public funds;
- i) Officer or employee of a public international organization (e.g., the United Nations, the World Bank);
- j) Special adviser to governments, or individual government officials, whether paid or unpaid, formal or informal; and
- k) Family member of any of the above.

It is also clarified that any person acting in an official capacity for or on behalf of a government entity shall also be considered a Government Official under this Policy.

4. Policy Guidelines

NSIL do not, directly or through a third party, promise, offer, make, authorise, solicit or accept any financial or other advantage, to or from anyone to obtain or retain business, or secure an improper advantage in the conduct of business. NSIL prohibit any kind of facilitation payments, bribery or corruption.

All personnel to whom this policy applies, should evaluate activities on the below mentioned parameters before initiating any transaction with or on behalf of the Company:

- Legitimacy of intent: Activities, interactions and transactions entered have a valid purpose and are conducted in line with our values and expectations;
- Transparency: All transactions are transparent and properly documented;
- Proportionality: Transfers of value made and resources invested meet but do not exceed the needs of the interaction or transaction.
- No conflicts of interest or undue influence: Do not exercise undue influence and also, avoid situations that create or appear to create conflicts of interest;

Whenever faced with a doubt on any transaction, or about any act that can be perceived to be a potential breach of this ABAC Policy, the Employee shall consult Chief Compliance Officer or such functional Head(s).

5. Training:

ABAC compliance training shall be provided every year to Company officers, directors, employees (including part time employees), contractors and any person directly employed by the Company. The manner and schedule will be determined by the Human Resources

Department in consultation with the Chief Compliance Officer. Additionally, the Company may also extend training programs to third parties and temporary workers if it is envisaged that the work profile allocated to them carries a significant risk as per this ABAC Policy.

NSIL will make this Policy available to all employees through the Company intranet and sought annual confirmation from Nalwa Sons personnel to ensure compliance of ABAC policy in letter and spirit.

6. Risk Assessment and Audit

In line with NSIL internal control framework, the Company performs periodic risk assessment to determine the company's exposure to bribery and corruption.

Based on the risk profile identified necessary steps for its mitigation shall be taken. The risk assessment process shall be undertaken once every three years or earlier in case of a major change in factors impacting the risk e.g. nature of business, new regulation, etc.

Independent audit of ethical standards would be conducted for all operations at least once in three years.

7. Monitoring

The Audit Committee of the Company ("Board") shall have oversight of governance and compliance with this ABAC Policy. It will also be responsible to monitor the effectiveness and review the implementation of this ABAC Policy. Aggravated cases of breach of this ABAC Policy shall be escalated immediately to the Audit Committee.

Additionally, employees who are in managerial positions shall ensure that their team members are familiar with this ABAC Policy and other related policies herein. They shall guide and ensure that the guidelines in this ABAC Policy are upheld and adhered to by their team members and the third parties working with them.

8. Reporting Non-Compliance

All employees bear the responsibility of promptly reporting any demands received for a bribe, whether payment has occurred or not, at the earliest to their Reporting Manager and Head-Ethics / Compliance Officer.

In case of, any suspicious activity, employees should report the details to the HR Head/ Functional Head / Compliance Officer by writing either at –investorcare@nalwasons.com or the registering a complaint on Helpline as outlined in the Whistle-blower Policy. Failure to report a reasonable belief of a violation, whether ongoing or occurred, is considered a violation of this Policy. Such failure will be met with appropriate disciplinary measures, including termination of employment. NSIL is committed to conducting timely and thorough investigations into all reported issues.

It is important to emphasize that NSIL strictly prohibits any form of retaliation or support for retaliation against employees who raise concerns in good faith or cooperate with

investigations. Employees have the option to submit anonymous reports, unless prohibited under any law.

9. Investigations and Disciplinary Action for Non-Compliance of the Policy

In case of violations of this policy, the Functional Head in consultation with the Chief Compliance Officer shall take appropriate steps such as:

- **Assigning an Investigation Team and Conducting an Investigation:** The Functional Head and the Chief Compliance Officer along with other experts with the right knowledge and objectivity may be appointed to investigate a complaint. Every investigation relating to a suspected violation of this ABAC Policy shall be investigated by members assigned under this sub-clause.
- **Corrective Action:** If necessary, corrective actions shall be prescribed or suggested to appropriate managers, officers and employees for implementation.
- **Penalties:** The Functional Head and the Chief Compliance Officer, after considering inputs, if any, have the discretion to recommend appropriate disciplinary action, including suspension and termination of service of such defaulting personnel. Depending on the nature and scale of default by the defaulting personnel, the Functional Head and the Chief Compliance Officer may also recommend to the Board to commence civil and/or criminal proceedings against such personnel in order to enforce remedies available to the Company under applicable laws.

SECTION II – GIFTS POLICY

NSIL upholds a bona fide approach to business expenditures related to gifts that are proportionate, reasonable and conducted in good faith. The giving or receiving of gifts must adhere to the following guidelines:

- It is lawful under local laws, Company's Code of Conduct and permitted under the policies of the recipient;
- It must be within the monetary limits mentioned below and in the course of business;
- Any expenditure must be made openly and transparently; and correctly recorded in the Company's books.

1. Accepting Gifts

Employees are strictly prohibited from leveraging their official positions to solicit, demand, accept, obtain, or be promised gifts from Third Parties, Customers, Suppliers, or any individuals associated with NSIL.

- Acceptance of gifts is not encouraged.
- Gifts not exceeding INR 10,000/- per fiscal year would be an exception. Any gift above this value shall be politely refused. Should it be difficult to refuse, submit the gift to your HR representative for appropriate disposal or distribution, in consultation with Functional Head and Chief Compliance Officer.
- Receiving money or cash equivalents such as gift cards, gift certificates or vouchers is never permitted.

2. Offering Gifts

Gifts exchanged with Customers, although may be potentially influenced by cultural practices, must strictly adhere to NSIL's policy. When offering gift to a Customer on behalf of the Company, it should be exclusively for business purposes and within specified limits.

- Gifts shall be provided to a Customer only after consultation with the HR Head/ Functional Head / Compliance Officer.
- Giving money or cash equivalents such as gift cards, gift certificates or vouchers is never permitted.
- Gifts offered must follow the policies of the recipient.
- We shall offer uniform or centrally procured gifts during local cultural festivals.

SECTION III – ENTERTAINMENT POLICY

1. Entertainment

Entertainment means any form of meals, travel, accommodation, cultural or sporting event, offered to or received from a person or entity outside of NSIL. Entertainment shall not be used to influence any person or to obtain or retain an improper business advantage. All Entertainment is subject to the following rules:

- Any Entertainment shall be modest in value, customary to the occasion and during business conduct such as a meeting to explain or promote NSIL's products or services.
- Any Entertainment must be conducted in a transparent manner and shall be befitting of the values of the Company.
- Any expenses on entertainment shall be properly documented in the Company's books.
- Any entertainment offered shall follow the recipient's policies.
- While offering any Entertainment, NSIL employee shall be in attendance along with the Customer.
- The most senior NSIL employee shall incur the expenditure for Entertainment.
- Gifts, travel, or entertainment costs shall never be offered to family members of Government Officials.
- The expenses shall comply with this Policy as well as any applicable expense reimbursement policy.

2. Meals

Acceptance of meals during business is permitted subject to the limits set out in this section. Offering meals during business conduct is permitted subject to the expense not exceeding prescribed limits and subject to the recipient's policies. The country in which the expense is incurred is considered for the application of the limit.

3. Hospitality Events

The term hospitality events include, but are not limited to, sporting events, cultural performances and/or charity balls where the primary purpose of the event is networking. The provision of this policy relating to hospitality events does not apply to business events where the main agenda of the event is to present Company products or services to Customers and prospects.

- Providing access to a hospitality event to a prospective Customer is not permitted, if NSIL is participating in a competitive bid for work to the Customer prospect.
- Offering tickets or access to hospitality events to Government Officials is not permitted.
- Any offering of hospitality events shall be pre-planned.

- Acceptance of hospitality events is not permitted where we are participating in a competitive bid for work.
- Acceptance of hospitality is permitted if there is no risk of such acceptance being seen as influencing a decision in favour of the host or invitee.
- The Head HR / Functional Head / Compliance Officer will review the proposal for accepting hospitality in case, the employee who receives the proposal is a decision maker, making business decisions in respect of the third party.

4. Travel and accommodation

In certain cases, NSIL may pay for travel and accommodation expenses for Customers to attend meetings or events that promote Company products or services. This is subject to the following:

- Customers and Third Parties shall be offered accommodation at NSIL guesthouses and empaneled hotels only if it is in the course of business.
- Booking side trips (overnight travel and accommodation at locations outside the city of business) is never permitted. Accepting travel and accommodation from Third Parties is permitted only in the course of business and only in the city of business.
- NSIL facilities such as guesthouses, convention centers and sporting facilities shall be offered to Customers or third Parties, including Government Officials or their representatives only in the course of business unless otherwise approved.

5. Summary of Entertainment Limits*

Expense	Guidance
Meals	In the course of business as per limits defined in Company HR Policy
Travel and Accommodation	Only during the course of business
Hospitality Events	Not permitted if it is offered to a Government Official or if NSIL is participating in a competitive bid for work to the Customer prospect.

SECTION IV – CHARITABLE & POLITICAL CONTRIBUTIONS POLICY

Charitable contributions in the form of in-kind services or products, knowledge sharing, time, or direct financial contributions, may be made by the Company from time to time. However, the following conditions must be met for such contributions to be acceptable:

- The donation is legal and ethical under local laws and practices;
- Proper due diligence is performed to verify the antecedents of the Third Party and to ensure that the recipient is a bona fide charitable organization and the recipient has no connection to a Government Official who is in a position to act or take a decision in favour of NSIL.
- The donation will not be misused in exchange for a business benefit or advantage;
- It is approved in writing by the Board of Directors or individuals to whom the Board has delegated authority;
- It is accurately recorded in the Company's books and records.

The use of company funds for political contributions shall be done only in compliance with applicable law which requires approval of the Board of Directors.

SECTION V – SPONSORSHIPS POLICY

Sponsorship refers to an arrangement wherein NSIL obtains the right to associate the NSIL brand with an activity, event, organization, or other lawful benefits in exchange for consideration. Sponsorship play a vital role in showcasing the NSIL brand to external stakeholders. However, it is crucial that any sponsorship aligns with NSIL values, adheres to the NSIL Code of Conduct, and complies with this Policy. Under no circumstances should sponsorships give the impression of or involve bribery or kickbacks.

In the event that NSIL receives anything of value (such as tickets to sporting events, galas, etc.) as a result of sponsorship, and if these are offered to Customers and Third Parties, they will be treated as Hospitality Events under Section II of this Policy.

Minimum requirements for all sponsorships include the following:

- Execution of a comprehensive sponsorship agreement or terms of reference that clearly outline the purpose of enhancing the NSIL brand, specify all terms and conditions of the sponsorship, and incorporate standard anti-bribery provisions.
- Avoidance of conflicts of interest or apparent risks associated with unethical or corrupt practices concerning the sponsorship.
- Confirmation that the sponsorship is not targeted towards any third party at the request of a Government Official.

SECTION VI – EMPLOYMENT POLICY

The process of hiring for full-time employment, part-time employment or internships must be solely based on the candidate's merit, qualifications, and capabilities. The prescribed process for qualifying and selecting candidates must always be followed. Employment/Internships must never be offered or provided to influence any person or to obtain or retain a business advantage. If the candidate you refer is the relative or friend of a Government Official/ Customer, additional due diligence must be performed to identify the nature of the connection that the Government Official/Customer has with NSIL and whether there is any ongoing proposal for NSIL products or services that the Government Official/Customer relates to. A declaration to the same shall be made in the referral system. This due diligence should be conducted in addition to the standard background and qualification checks performed on candidates.

SECTION VII ENGAGEMENT OF THIRD PARTIES POLICY

“Third Party/Third Parties” shall mean and include subcontractors, consultants, vendors, resellers, partners, alliance partners and other third parties that NSIL engages with.

NSIL does engage Third Parties for internal consumption and servicing its Customers under the respective contracts. NSIL and its employees are liable for the actions of Third Parties, if they authorize a Third Party to do something that NSIL cannot do directly is a violation of this Policy. Employees or the Company cannot evade liability by deliberately ignoring warning signs or disregarding indications of potential wrongdoing.

Prior to establishing a relationship with a Third Party, employees must conduct a reasonable investigation into the background, reputation, and business capabilities of the Third Party. This investigation, known as due diligence, should be documented using the designated Third-Party Engagement process created for this purpose.

All Third Parties engaged by the Company to provide services require a valid and approved contract. Certain identified categories of Third Parties, depending upon their risk profile, would require undergoing a detailed due diligence process as set out in the Third-Party Process. No contract with such identified Third Party should be concluded until the due diligence is completed.

All contracts must include anti-corruption representations and warranties that align with this Policy. Additionally, the Third Party must acknowledge and agree to comply with the Policy, the Supplier Code of Conduct, and other relevant policies.

SECTION VIII – MISCELLANEOUS

1. Conflicts

This Policy is aligned with the NSIL Code of Conduct and Ethics ("NSIL Code"). In the event of any conflict between this Policy and other applicable policies within NSIL, including the NSIL Code, the Employees are required to strictly adhere to the policy or procedure that imposes the more stringent requirements. If such a conflict arises, it is mandatory for Employees to promptly notify the HR Head/ Functional Head / Compliance Officer @ investorcare@nalwasons.com , This will ensure that the office can expeditiously address the conflict and, if necessary, revise the pertinent policy or procedure to maintain consistency.

2. Clarifications

For any queries or clarifications pertaining to the guidelines stipulated in this Policy or on matters falling within the purview of this Policy but not expressly delineated herein, please contact the HR Head/ Functional Head / Compliance Officer @ investorcare@nalwasons.com.