



NOCIL LIMITED

NOCIL Limited Business Ethics Policy

For **NOCIL LIMITED**

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S. R. Deo
Managing Director

Approved by Core Committee on Sustainability on 09.12.2022



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1. INTRODUCTION & PURPOSE

NOCIL LTD (the “**Company**”) is committed to conducting its business ethically and in compliance with all applicable anti-bribery and anti-corruption laws and regulations (“**Applicable Laws and Regulations**”). The violation of such laws and regulations has grave consequences and seriously impacts on the reputation and image of the Company.

This document describes the Company’s policy of prohibiting bribery and other improper payments in the conduct of the Company’s business operations and establishes processes to ensure compliance with the Business Ethics Policy (the “**Policy**”) and Applicable Laws and Regulations.

2. APPLICABILITY OF THE POLICY

This Policy applies to the following persons located at /based at /working out of or working for any/every Dept / Function/ Group at any of the Company’s Plants and at its Corporate and Regional offices and Godown or any other establishment from where it conducts its business operations and working for the Company for remuneration/compensation/Fees/commission or consideration by whatever name called:

- (i) **Executive Chairman.**
- (ii) **Managing Director.**
- (iii) **Deputy Managing Director.**
- (iv) **Senior Managerial Personnel, Key Managerial Personnel, Officers, Employees** (whether on regular rolls or on contractual basis) {hereinafter collectively referred to as “**Company Personnel**”}
- (v) **All persons acting as a representative(s), Advisor(s), or Agent(s) /Consultant(s) in connection with the Company’s business operations on a regular basis or on a periodic basis or in any other manner whatsoever on behalf of the Company**





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including without limitation its Sales Consultants/Agents/Representatives

(hereinafter collectively referred to as "Company Representatives.")

Accordingly, the Policy *prohibits any Company Personnel and/or Representative* acting on behalf of the Company, directly or indirectly, from making or receiving an Improper Payment. "Improper Payment" means receiving or paying a bribe or giving, offering, or promising to give money or anything else of value to any person, including any Government Official (as defined below) to improperly influence any act or decision of a person, or to otherwise gain an improper benefit for the Company.

Compliance with this Policy and applicable laws is a condition of continued employment or association with the Company and violations will not be accepted – any alleged breach will be investigated, and disciplinary action taken as appropriate. Failure by the Company Representatives to comply with this Policy may expose the Company to substantial risk and could jeopardize its operations and reputation.

3. BUSINESS ETHICS OVERVIEW

The Business Ethics Policy (Inclusive of ABAC –ANTI-BRIBERY & ANTI CORRUPTION) prohibits offering to pay, paying, promising to pay, or authorizing the payment of money or anything of value to a public/ government official in order to influence any act or decision of the foreign official in his or her official capacity or to secure any other improper advantage in order to obtain or retain business.

The anti-bribery prohibition is very broad, and covers:

- cash payments.
- non-cash "payments," benefits, and favors; and
- in certain circumstances, gifts (including costly promotional material more associated with personal use or irrationally excessive free samples to medical professionals), entertainment, and hosted travel or training of public officials at





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exotic locations (including training at foreign locations) along with providing employment at senior management level to those who are referred by public officials and making charitable contributions intended to be Improper Payment.

The ABAC Policy prohibits improper payments whether they are made directly or indirectly through third parties, such as agents, consultants, channel partners, resellers, or other representatives and regardless of whether such payments or benefits are actually paid or promised. In other words, "willful blindness" to a suspected improper payment or a mere promise of something improper can be the basis for a violation of the ABAC Policy.

The prohibition further extends to improper payment made by any intermediaries, subsidiaries or entities representing the Company, including:

- company employees.
- sales agents.
- sales consultants.
- other representatives of the Company, no matter by what name they are called.
- affiliates of the Company where the Company has majority ownership, including joint ventures and special purpose vehicles ("SPVs"); and
- other entities over which the Company possesses corporate control.

The ABAC Policy also requires the Company, to maintain internal accounting controls and keep books and records that accurately reflect all transactions and the disposition of assets, which includes but is not limited to an obligation to keep accurate records regarding gifts, entertainment and/or travel provided to government officials.

4. ROLES AND RESPONSIBILITIES

The Managing Director is empowered to designate a suitable executive as the Compliance Officer for the purpose of implementation of this Policy who will report



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matters relating to implementation of this Policy and/or any suspected or actual breaches thereof to the Chief Executive Officer (“CEO”) and Board of Directors of the Company on a periodic basis.

The **Compliance Officer** has overall responsibility for the program, processes and procedures supported by business development, construction, supply chain, legal, finance, sales, marketing, operation and maintenance and other departments in the Company to ensure that the Company is not exposed to the risk of corruption.

The **Compliance Officer** is responsible for giving advice on the interpretation and application of this Policy, supporting training and education, and responding to reported concerns. The Company has appointed an external independent ombudsman of the Company. If an allegation is made against an employee for potential violation of these procedures, it is the ombudsman’s responsibility to investigate the allegation and report to the Ethics Committee for reasonable conclusion in accordance with the process described in sections below.

Managers at every level shall be responsible for requiring that the Policy requirements are applied and complied with in their department or function (including by Company Representatives).

5. IMPORTANT DEFINITIONS

5.1 **Bribery:** Bribery may be defined as offering, giving, receiving, or soliciting anything of value to influence an official act or business decision.

5.2 **Corruption:** Corruption is used to describe various types of wrongful acts designed to cause some unfair advantage, and it can take on many forms. Generally, corruption refers to the wrongful use of influence to procure a benefit for the actor or another person, contrary to the duty or the right of others.





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- 5.3 **Charitable contributions:** “Charitable Contributions” shall mean any donation, contribution, gift, grant, etc., whether a monetary Contribution or in-kind Donation to any civic, charitable or community entity or for regional religious purpose where the Company’s offices or operations are located at no charge for the purpose of supporting needy individuals or groups, providing an immediate benefit directly to members of the community, or for providing a benefit or better services to the community.
- 5.4 **Charitable Organization:** For the purpose of this Policy “charitable organization’ shall mean any entity registered under the laws of its domicile as a non-profit organization or a non-governmental association, e.g., under India’s Income Tax Act 1961, Indian Trust Act 1862, Foreign Contribution (Contribution) Regulation Act (1976), the Societies Registration Act (1860), or the United States Internal Revenue Code Section 501(c)(3).
- 5.5 **Close Business Associate:** A Close Business Associate of a Government Official includes all persons who are current business partners, co-owners, co-investors with, consultants or advisors to, or have any other common financial interest or significant personal relationship with the Government Official.
- 5.6 **Facilitation payments:** Facilitation or grease payments are payments (often small) made to government officials, usually in countries with pervasive corruption problems, to expedite or secure the performance of “routine governmental actions,” which are limited to a narrow range of non-discretionary acts that are ordinarily and commonly performed by a government official (e.g., to speed up obtaining a license that the applicant is entitled to receive).
- 5.7 **Family Member:** The term Family member of a Government Official includes parents, children, siblings, and spouses of Government Official.
- 5.8 **Government official:** A “Government Official” means:
- (i) Any officer or employee of a government entity



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- (ii) Any person acting in an official capacity for or on behalf of a Government Entity;
and
- (iii) Any candidate for a public office position or any person acting in an official capacity for or on behalf of the candidate.

5.9 *Politically exposed Persons (PEP): A Politically exposed Person for the purpose of this Policy includes:*

- (a) Director with a state-owned entity or entity indirectly owned by a government body/ministry
- (b) Minister of State/Department (including secretary to ministers)
- (c) Civil Services Officers (including IAS, IPS, IRS, IFS, or similar bureaucrats)
- (d) Affiliation with a political party, as identified through keywords-based searches and reported in the media
- (e) Immediate family member (parents, spouse, and children) of a known PEP, as reported in databases and/or media sources
- (f) Business relationship with a known PEP, as reported in databases and/or media sources (as identified through keywords-based searches)

5.10 *Third Party Intermediary ("TPI"):* It means a service provider, consultant, distributor, contractor, sub-contractor, joint venture partner, representative, agent, vendor, supplier, or other third party, whether an individual or an entity, who is employed on a contract basis, or retained to assist the Company in any function of the business that requires or involves interaction with any government entity in any of the countries in which the Company operates. This includes third parties whose primary function is to obtain business or promote the distribution, marketing or sales of its products and services, facilitate performance of contractual obligations, or obtaining licenses, permits, and similar authorizations for the purchase of land, construction and or commissioning of new projects.



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6. **BRIBES**

Company Personnel and Representatives must not engage in any form of bribery, whether involving any government official, private party or third party (such as an agent or third-party intermediary), either directly or indirectly.

7. **FACILITATION PAYMENTS & KICKBACKS**

Facilitation payments are a form of bribery made for the purpose of expediting or facilitating the performance of a public official for a routine governmental action, and not to obtain or retain business or any improper business advantage.

The Company prohibits all its Company Personnel and Company Representatives from making any facilitation payments directly or indirectly on behalf of the Company.

8. **BUSINESS EXPENDITURES**

Any expenditure for anything of value to be provided to any Government Official must be approved in advance and in writing by the Director-Finance.

In all cases, expenditures must be reasonable and directly related to a legitimate business purpose. If the facts and circumstances indicate that a specific expenditure could be construed as a prohibited payment or would create an appearance of impropriety, the expenditure shall be prohibited.

The Company will be required to maintain a log of activities where it would have made necessary payments to medical professionals for their contribution in capacity of speaker fees at events.



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The Company's policy regarding expenses incurred on gifts, meals and entertainment, and travel and lodging relating to government officials is stated in the Code of Conduct of the Company. All the Company Personnel and Company Representatives need to comply with these specific policies.

9. POLITICAL CONTRIBUTIONS

The Company follows a strict policy of not making any donations/ contributions to any Political party or persons or entities connected therewith or associated with the Political party in connection with conduct of elections (whether Central or State) or for any other purpose or objectives

The employees may also voluntarily participate in political activities as individual citizens, they must use their own personal funds and resources. The employees engaged in political activities must make appropriate disclosures to the Human Resources department with details of their political affiliations and activities. They must make it abundantly clear that their views, ideas etc. are their own and are not endorsed by the Company. The Human Resources Department must submit these disclosures to the Ethics Committee of the Company.

10. CHARITABLE CONTRIBUTIONS

The Company endeavors to be a positive contributor to the development of the community and in this endeavor, it sponsors various community development programs and makes charitable contributions. **In this document we will cover policies related to charitable contributions other than Company's Corporate Social Responsibility ("CSR") activity of the company.**



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Before making any charitable contributions or agreeing to sponsor a charity event, Company Personnel must take into consideration the following points:

- All requests need to be in writing documenting the nature, purpose, value, and recipient of the Charitable Contribution.
- If the Charitable contribution is valued at less than INR 25 lakhs, the employee requesting the Charitable contribution must obtain the prior written approval of the respective department head and Director-Finance. If the Charitable contribution is valued at INR 25 lakhs or more, prior written approval from the Chairman is also required.
- Before such permission is granted the Compliance Officer shall conduct adequate due diligence on the entity receiving the donation and its key personnel to ensure that the Company is not exposed to any risk. At the minimum, this process must include a background check on the entity and the key individuals and their relationships with government entities and officials, politically exposed persons ("PEP"), if any. The process must also attempt to establish the organization's track record and reputation.

11. INSPECTIONS BY GOVERNMENT OFFICIALS

Every time a Government Official arrives at the Company premises including project sites, to conduct an inspection, the Company personnel should inform the Compliance Officer and other authorized officials of the Company about the visit and purpose thereof. The following procedures should be followed:

- i. The Company personnel should direct the Government official to the Compliance officer or the Project manager or the Operations Manager or to the authorized person (authorized to interact with Government officials on such visits).



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- ii. A log must be maintained on site at the Company premises or project sites or corporate office to record the date, name of Government Official, title and his/her Government Entity and purpose of each visit. This log will be maintained by Site In-charge/ local officer in-charge at site and project sites and Head of HR at Corporate Office.
- iii. If any expenses including any meals, travel or lodging are incurred during the inspection, these expenses must be recorded and must be consistent with this Policy.

12. THIRD PARTY DUE DILIGENCE PROCEDURES

12.1 **Third Party Intermediary ("TPI" or "Intermediary")** means a service provider, agent, consultant, distributor, contractor, vendor, supplier, or other third party, whether an individual or an entity, who is employed on a contract basis, or retained to assist the Company in any function of the business that requires or involves interaction with any government entity (including public hospitals), government officials (including those in profession of healthcare) in any of the countries in which the Company operates.

The Company recognizes that there are circumstances in which relationships with TPI's will be required or prudent from a commercial perspective during different stages of the operation:

- (1) Carrying & Forwarding (C&F) agents
- (2) Foreign/ International business associates
- (3) Any other third party who interacts with government officials on behalf of the Company



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However, public corruption often occurs when companies use TPI's to obtain business, licenses or permits, regulatory approvals from the government authorities on their behalf. The Company can face liability under anti-corruption laws based on improper payments made by its subsidiaries, joint venture, special purpose vehicles or other service provider, agents, consultant, distributor, contractor, vendor, supplier, or other third party, whether an individual or an entity, on the Company's behalf, regardless of whether the Company had any knowledge of the improper payments.

12.2 **Identification of TPI**

Each department/ project site/ business unit must identify such TPIs for their operations. Once the department/ project site/ business unit identifies a potential TPI the department must provide the intermediary with the due diligence questionnaire for completion.

The due diligence questionnaire requires the intermediary to provide detailed information regarding its business background and capabilities. It is the responsibility of the respective department to obtain a complete questionnaire and provide the completed questionnaire to the Compliance Officer.

The due diligence must take place before the intermediary is retained and must be updated when extending or renewing an intermediary's contract. In case of an emergency, where an intermediary commences the work prior to completion of the due diligence and approval by Compliance Officer, department/ project site/ business head should provide reasons in writing and due diligence should be completed within 30 days.

The interim appointment agreement/ letter issued to such intermediaries should contain the following language: *"The terms and conditions set out in this letter are in all respects subject to the satisfactory completion of due diligence evaluation procedures."*



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12.3 **Due Diligence Reports**

The Compliance Officer or such service provider/ consulting firm appointed will provide a written report of the screening results explaining its findings and the reasons for any concerns raised, including any negative information or red flags upon receipt of the due diligence conducted. The report will also include any inconsistencies between the information submitted in the due diligence questionnaire and information discovered in the diligence process. It is the responsibility of the Compliance Officer to review and assess the screening results provided by such a third party/ consulting firm.

Common red flags associated with third parties include:

- Excessive commissions to third-party agents or consultants.
- Unreasonably large discounts to third-party distributors.
- Third-party “consulting agreements” that include only vaguely described services.
- The third-party consultant is in a different line of business than that for which it has been engaged.
- The third party is related to or closely associated with the foreign official.
- The third party became part of the transaction at the express request or insistence of the foreign official.
- The third party is merely a shell company incorporated in an offshore jurisdiction; and the third-party requests payment to offshore bank accounts.

12.4 **Contracts/ agreements with TPIs**

All contracts, without exception, must be written detailing the scope of work, legally vetted and executed with the TPI:

- informing it of the Company’s Business Ethics Policy and committing it not to engage in any corrupt practice.
- permitting the Company to request an audit of the Third Party’s books and accounting records by an independent auditor to verify compliance with these Rules.



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- adding a provision allowing it to suspend or terminate the relationship, if it has a unilateral good faith concern that the party has acted in violation of applicable anti-corruption law; and
- providing that the Third Party's remuneration shall not be paid in cash and shall only be paid in (i) the country of incorporation of the Third Party, (ii) the country where its headquarters are located, (iii) its country of residence or (iv) the country where the mission is executed.

12.5 Disclosures

All TPIs, regardless of tenure, must provide a signed declaration to the Company acknowledging that they have read and understood the Company's policies.

12.6 Confirmation on Anti-Bribery & Corruption compliance from TPIs

Each TPI will certify annually that it understands and has complied with the anti-bribery and corruption laws, Indian anti-corruption laws, and other applicable jurisdictions in all activities undertaken on behalf of the Company. The certification shall be obtained prior to completion of 12 months from the date the intermediary was approved by the Compliance Officer or at the time of renewal of contract, whichever is earlier. The respective department for each TPI will be responsible for obtaining the annual certifications.

12.7 Database for rejected intermediaries

The Compliance Officer or a selected third-party provider shall maintain an internal database of rejected intermediaries. Once an intermediary has been rejected, the Compliance Officer or a selected third-party shall provide the rejected intermediary name, address, and other relevant information to Legal and the Finance Department so that the TPI cannot be accepted as a supplier or to immediately block any transactions with the TPI.



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13. EMPLOYEE DUE DILIGENCE

Prior to hiring a senior management level employee, the Human Resource Team shall request the ~~Compliance Officer~~ to initiate the process of employee due diligence on the prospective employee.

When undertaking due diligence on persons prior to appointing them as personnel, the organization, depending on the persons' proposed functions and corresponding bribery risk, can take actions such as:

- To identify any relationships between the prospective employee and Government officials and entities and other "politically-exposed persons" ("PEP").
- Media review to identify potentially adverse information with respect to allegations of corruption, collusion, other illegal activities, or other matters that have a significant impact on reputation.
- Taking reasonable steps to verify that prospective personnel's qualifications are accurate.
- Taking reasonable steps to obtain satisfactory references from prospective personnel's previous employers.
- Verifying that the purpose of offering employment to prospective personnel is not to secure improper favorable treatment for the organization.

14. RISK ASSESSMENT

Periodic ABAC risk assessments, initiated by the **CHIEF RISK OFFICER (CRO)** will be conducted by the Company. Such assessments will take into account changes in the market, the Company's business, and the locations in which it operates and will accordingly identify risks by level such as high, medium, or low on analysis of factors like industry, country, size, nature of transactions and amount of third-party compensation. It shall be the endeavor of the Company to avoid a one-size-fits-all approach to an anti-corruption risk assessment. Such anti-corruption risk assessment shall encompass variety of mechanisms that the Company shall use to estimate the likelihood of forms



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of corruption within the enterprise and in external interactions, and the effect such corruption might have. Effective risk assessment means:

- Understanding the enterprise
- Asking questions broadly

- Understanding the environments in which it operates, and assess the level of corruption risk these locations and sector can pose
- Understanding who the enterprise is dealing with, in both the public and private sector, and assess the corruption-risk in principle which they pose
- Identifying the bribery risks the organization might anticipate
- Analyze, assess, and prioritize the identified bribery risks
- Understanding how various anti-corruption program and controls are working in the enterprise, and their effect on risks

15. RECORD KEEPING, FINANCIAL AND ACCOUNTING PROVISIONS

Company Personnel must follow all applicable standards, principles, laws, regulations, and Company practices for accounting and financial reporting. Company Personnel must be timely, complete, and accurate when preparing all required reports and records. All Company Personnel must obtain all required approvals in accordance with the accounting policy/ manual and the Travel Policy before providing any gift, entertainment, or travel.

No undisclosed or unrecorded accounts of the Company are to be established for any purpose, and false or artificial entries are not to be made in the books and records of the Company for any reason whatsoever. Finally, personal funds must not be used to accomplish what is otherwise prohibited by this Policy, the accounting policy/ manual, and the Travel Policy or any of the Company's other policies.

The Company's records should ensure that:





- All financial transactions are identified and properly and fairly recorded in appropriate books and accounting records available for inspection by their Board of Directors or other body with ultimate responsibility for the Company, as well as by auditors.
- Implementing a separation of duties, so that the same person cannot both initiate and approve a payment.
- Implementing appropriate tiered levels of authority for payment approval (so that larger transactions require more senior management approval).
- Verifying that the payee's appointment and work or services conducted have been approved by the organization's relevant approval mechanisms.
- Requiring at least two signatures on payment approvals.
- Requiring the appropriate supporting documentation to be annexed to payment approvals

16. **NON-FINANCIAL CONTROLS**

Non-financial controls are the management systems and processes implemented by the organization to help it ensure that the procurement, operational, commercial, and other non-financial aspects of its activities are being properly managed. Non-financial controls to reduce corruption-risk could include:

- Using approved contractors, subcontractors, suppliers, and consultants that have undergone a pre-qualification process under which the likelihood of their participating in bribery is assessed.
- To assess the necessity and legitimacy of the services to be provided by a Company Representative.
- To assess whether any payments to be made to the Company Representatives are reasonable and proportionate about those services.
- Awarding contracts, where possible and reasonable, only after a fair and, where appropriate, transparent competitive tender process between at least three competitors has taken place.



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- Requiring the signatures of at least two people on contracts, and on documents which change the terms of a contract, or which approve work undertaken or supplies provided under the contract.
- Compliance Officer's oversight on potentially high corruption-risk transactions.
- Protecting the integrity of tenders and other price-sensitive information by restricting access to appropriate people.
- Ensure that Company's hiring practices are consistent with the anti-corruption laws.

17. ANTI BRIBERY AND CORRUPTION TRAINING

The Policy requires all Company personnel, depending on their job scope, to undergo the Company's anti-bribery and corruption training course/s, which will be rolled out by the Company from time to time. The course/s may be conducted on-line or in-person and will be administered by the Compliance Officer or through external consultants. The Company will roll out similar training for high risk third parties from time to time.

Notification for these training sessions shall be sent via email that they are required to take the course/s. Those required to take such course/s must do so within the notified timeframe and repeat the course/s as and when required.

Failure to do so without justification will be viewed very seriously by the Company and could result in suspension and/or termination of employment/ contract/ and/or representation of the Company.

A. ANNUAL TRAINING

Annual training is required for all Company Personnel in Departments that either interact directly with customers, Government Officials and Entities or engage TPIs that





do so or are ex-government employees. All relevant Company personnel will receive on-line or in-person training .

In addition, training is also required for all Company personnel that provide accounting, administrative or other support to those Departments which engage with government officials and entities.

B. ON-BOARD TRAINING

All new employees in the Company shall be provided with Anti-Bribery & Corruption training by the Human Resources as part of their on-boarding process.

C. TRAINING CERTIFICATIONS

Each attendee should be provided with and sign a declaration/ undertaking that states that the employee understood the training and understands his or her obligation to abide by the Company's Policy, Procedures, and applicable laws.

D. TRAINING RECORDS

For each training session conducted, the Compliance Officer will create and retain a record of the training that includes the following:

- a description of the nature and the purpose of the training,
- the name of the person conducting the training,
- a list of attendees, and
- a copy of the materials used.

These training records shall be retained by the HR Department.





18. REPORTING IN CASE OF NON-COMPLIANCE

Company Personnel who are or become aware of or suspect a violation of this Policy and/or the Anti-bribery and corruption Laws are under an obligation to report the same to the Company.

Violations or suspected violations should be reported as per the procedures set out in the Company's Whistle Blower Policy.

The Company will not take any adverse action against anyone for providing truthful information relating to a violation of law or Company policy, and the Company will not tolerate any retaliation against persons asking questions or making good faith reports of violations of this Policy. Anyone who retaliates or attempts to retaliate will be disciplined. Any person who believes he or she has been retaliated against should immediately follow the instructions in the Company's Whistle Blower Policy.

19. INVESTIGATIONS OVER POLICY VIOLATION

Investigations of an alleged violation of the Policy or the procedures shall not be commenced in any form by any Business unit/ Department/ Project Site and shall be reported immediately to the external independent ombudsman appointed by the Company.

In undertaking the investigation and any follow up action, the ombudsman needs to consider following relevant factors:

- Applicable laws.
- The safety of personnel.
- Potential criminal, civil and administrative liability, financial loss and reputational damage for the organization and individuals





20. DISCIPLINARY ACTION ON NON-COMPLIANCE

Violations of this Policy will not be tolerated. Any Company Personnel who violate this Policy will be subject to disciplinary action up to and including termination of employment or relationship with the Company and/ or any other legal recourse that the Company may resort to.

21. ETHICS COMMITTEE

The Ethics Committee shall provide assistance to the company's management to enable the company to continue to operate according to the highest ethical business standards and in accordance with Applicable Laws and Regulations.

Composition

- An Ethics Committee shall be formed as a permanent Sub-Committee of the Audit Committee.
- The Ethics Committee shall consist of the following members:
 - Chief Risk Officer.
 - Company Secretary & Legal Head.
 - Chief Financial Officer
 - Head of Human Resource and Administration
- The Company Secretary shall also function as the secretary of the Ethics Committee.

Responsibilities

- The Ethics Committee will examine implementation of the Company policies and compliance with all regulatory requirements, applicable guidelines, and statutory provisions.
- The Ethics Committee shall have the responsibility for establishing and embedding corporate ethical values and ensuring & monitoring ethical business practice.



- The Ethics Committee will inform all stakeholders about this Policy and their role in its implementation. All new appointments shall also be imparted education on induction.
- This Policy will be implemented through the development and maintenance of procedures, using template forms and guidance in the form of training and other communications given to stakeholders.
- The role of the Ethics Committee more specifically shall be too.
 - Assess the risk of non-compliance with the applicable laws or regulations and of unethical conduct by Company Personnel and Company Representatives.
 - Encourage employees and third party to report violations of ethics related policies and procedures or misconduct through the Whistle Blower mechanism.
 - Ensure investigation of any violation of this Policy.
 - Establish procedures to ensure that alleged ethics violations/ Whistleblower complaints are appropriately investigated in accordance with Applicable Laws and Regulations and companies' policies and procedures.

22. ANTI-FRAUD:

In the context of three key components, this document specifies the steps the Company should take to prevent, deter, and identify fraud:

- Develop an appropriate oversight process. Identify and assess the risks of fraud.
- Implement the processes, procedures, and controls necessary to mitigate the risks and reduce the opportunities for fraud.
- Create and maintain a culture of honesty and high ethics, including understanding and awareness of risks and controls.





This document specifically aims at:

- Making sure management is aware of its obligations for the identification and prevention of fraud and for creating procedures to do so.
- Giving clear instructions to employees and others dealing with the Company, prohibiting fraud.
- providing a method for employees and officers of the company to report any incident of fraud or alleged incident of fraud and protecting employees and officers of the company who make a disclosure against their managers and/or fellow employees in certain defined circumstances from harassment and/or dismissal.
- Preventing them from participating in any fraudulent activity and the actions to be taken by them when they suspect any fraudulent activity.

23. REPORTING TO BOARD ON COMPLIANCE MATTERS

The Ethics Committee of the Company will update the Audit Committee and the Audit Committee will report to the Board of Directors on the performance of the compliance program, on a six-monthly basis. The report may include the following Key Performance Indicators of the latest completed half year:

A. *Anti-bribery and Corruption risk assessment:*

- Total number of intermediaries identified.
- List of intermediaries engaged without completion of due diligence assessment and status of subsequent action taken in this regard.
- Number of due diligence assessments completed and no. of intermediaries approved/rejected with reasons.
- Potential red flags identified





B. Business Ethics Policy and procedure compliance:

- Total business expenditure incurred on gifts, meals, entertainment, travel & lodging, charitable contributions, and donations to Government official(s).
- Reporting any exceptions noted where business expenditure was not approved as per the policies defined in these procedures or expenditure exceeded the sanctioned limits.

C. Anti-corruption Training and workshops:

- Number of training sessions conducted during the latest completed half year vis-à-vis planned training sessions .
- Number of participants who successfully completed the training vis-à-vis no of participants scheduled for such trainings.

D. Ethics Committee reports (including code of conduct violations reported) and resolutions with respect to anti-corruption incidents or policy violations:

- The total number and nature of anti-corruption incidents or policy violations reported during the completed half year (along with details of amounts involved).
- Status of investigation reports of the possible violations.

24. DOCUMENT RETENTION

The Company shall retain all the necessary documents/ records stated in this policy document for five (5) years or as mandated by applicable law, whichever is more. The list of documents to be retained should include the following at a minimum:

- Business Expenditure from the date of incurring such expense
- Approvals and records of gifts, meals and entertainment, and travel and lodging relating to government official, donations and similar benefits given and received.





- Due diligence conducted on third parties or senior employee
- ABAC Risk assessment results
- Incidents of attempted, suspected, or actual bribery reported and their investigation reports.
- Periodic reports of ethics committee
- Policies, procedures, and controls related to the implementation of this Policy.
- Any other records required to implement this Policy.

25. IMPLEMENTATION OF THE POLICY & PROCEDURES

Within a Company, compliance begins with the Board of Directors and senior management setting the proper tone for the rest of the Company. Hence, the Board of Directors and the senior management should play a role in the launching of the program and demonstrate ownership and commitment to the policy “tone from the top.”

26. AMENDMENT IN THE POLICY

The Chairman or Managing Director or any Whole Time Director of the Company can amend the provisions of this Policy, from time to time, as they deem fit.

For NOCIL LIMITED

**S. R. Deo
Managing Director**