



ANTI-BRIBERY AND CORRUPTION POLICY

Adopted by the Board of Investment Manager on:	03.02.2021
Amended by the Board of Investment Manager on:	27.09.2021

ANTI-BRIBERY AND CORRUPTION POLICY FOR NATIONAL HIGHWAYS INFRA TRUST

A. Preamble

The board of directors of National Highways Infra Investment Managers Private Limited (the "**Board**"), the investment manager (the "**Investment Manager**") to National Highways Infra Trust ("**Trust**"), has adopted the following policy and procedures (the "**Policy**") with respect to anti-bribery and corruption (as defined below). The Board may amend the Policy from time to time, subject to applicable law.

B. Accordingly, the key principles of the Policy are set out below:

1. Policy:

- a. The Trust maintains and promotes the highest ethical and legal standards in its business, especially in relation to bribery and corruption, and expect employees of the Trust and those with whom the Trust does business to do the same.
- b. This Policy on bribery and corruption applies to the Trust's dealings in both the public and the private sectors, and any violation of this Policy is a matter of serious concern.

2. Management oversight and leadership:

- a. The Trust's audit committee, together with its chief executive officer, chief financial officer and Compliance Officer, are responsible for providing leadership, resources and active support for the implementation of this Policy.
- b. The compliance officer appointed to ensure compliance of this Policy ("**Compliance Officer**"), who may be a person other than the compliance officer of the Trust appointed as per the requirements of Companies Act, 2013, as amended, will communicate this Policy to all levels of the Trust, project SPVs of the Trust ("**Project SPV**") and relevant external parties at least annually, and at such other times as he considers appropriate, such as when this Policy is amended or updated.

3. Definitions of bribery and corruption:

- a. "ABC" means anti-bribery and corruption.
- b. "Anti-Bribery Laws" means the ABC laws and regulations, which shall include, the Prevention of Corruption Act, 1988, relevant portions of the Indian Penal Code, 1860, the Central Vigilance Commission Act, 2003 applicable to, the Trust and its employees.
- c. "Bribe / Bribery" means the giving, acceptance, solicitation or facilitation of a financial advantage to or by any person which (i) does or might induce, influence or reward the improper performance or non performance of any activity or function in either the public or private sector, (ii) which in itself constitutes the improper performance of a relevant function or activity, or (iii) is intended to obtain or retain business or a business advantage.
- d. A promise or offer to give, accept, solicit or facilitate a financial advantage will also constitute Bribery. Equally, a violation may occur if you do anything which is prohibited through another person, as much as if you did it yourself.
- e. A financial advantage may be anything of value. It can be a payment, payoff, influence payment or a 'kickback'. Equally, it may also take the form of a gift, hospitality or entertainment, or be something intangible, like an offer of employment.
- f. "Corruption" means dishonest or fraudulent conduct by those in power, typically involving Bribery.
- g. The term "Official" includes any person who holds a legislative, judicial or administrative position of any kind; any official, employee or representative of, or any other person acting in an official capacity or performing a public function on behalf of: a government (including any entity it owns or controls) or any government authority or agency; the legislature; the judiciary; a political party or political candidate; or a public international organization.

4. Prohibition on bribery:

- a. The Trust prohibits:
 - (i) Giving Bribes including:
 - Bribing someone to get a contract or other business advantage such as a license, consent or permit (including from that person or by using that person's influence);

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- Bribing any Official in order to influence any official decision, or to induce them to use their influence to affect any act or decision of a governmental authority; or
 - Bribing any officer, employee or agent of a company or body corporate with which the Trust interacts in the conduct of Trust's activities and operations for the purpose of influencing any act or decision of that company or body corporate.
- (ii) Receiving Bribes including:
- Asking, agreeing to or receiving a Bribe from anyone in exchange for giving or continuing to give a person any business, or any business advantage, or for otherwise improperly performing any activity or function.
- b. Circumstances which may suggest an increased risk of Bribery or Corruption and which should therefore be discussed with the Compliance Officer include:
- (i) Intermediaries (as defined below) engaged by the Trust which is accused of improper practices;
 - (ii) A party with whom the Trust does business requests payment in cash or to offshore accounts;
 - (iii) Requests for payment, entertainment or hospitality at a time when the recipient is making an important decision that affects or could be perceived to affect the operations of the Trust;
 - (iv) Refusal by any Intermediary to use written agreements;
 - (v) Requests or directions to record (or issue receipts) for payments or fees in a manner which does not reflect their true nature;
 - (vi) Previous relationships between Trust's employees or Intermediaries and a government office or Official;
 - (vii) Requests for special payments, such as a 'special acceleration fee' or any other payment to reduce delay or remove the need to comply with applicable procedures.
- c. The above examples are not exhaustive and any matters which give you cause for concern should be promptly raised with the Compliance Officer.
- d. Practices that may appear typical or customary may still be unlawful and in breach of this Policy.
- e. The Trust should always consider whether any conduct may give an appearance that it creates an obligation on, or may influence, the recipient (or a third party) to act in a way that may be improper, or which may be perceived as being capable of influencing an Official exercise of discretionary authority, even where this is not the intention. Such conduct should be discussed with the Compliance Officer.

5. ***Dealing with intermediaries:***

- a. The term intermediaries ("**Intermediaries**") refers to an associate's representatives, vendors, contractors, sub-contractors, consultants and any other persons engaged by an associate, or who are engaged to act for the associate in its business dealings with any government or official, or in obtaining governmental approvals.
- b. The Trust engages Intermediaries only for ordinary and legitimate business purposes and only on arms-length, commercially reasonable terms.
- c. Any contracts between associates and Intermediaries must be in writing and must be signed by the parties.
- d. Different types of Intermediaries are subject to different ABC risk assessment and risk mitigation measures. It is clarified that such provisions and procedures would be prepared by the Trust in consultation with the Compliance Officer which are to be followed when engaging an Intermediary and for the Trust's standard anti-bribery related contractual provisions which are to be included in the Trust's contracts with Intermediaries.

In general:

- a. The Trust expects that Intermediaries and vendors with which it does business to either formally acknowledge and abide by relevant aspects of this Policy by way of an undertaking, or to have adequate anti-bribery and corruption policies and procedures of its own in place.

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- b. When engaging an Intermediary, an associate should:
 - (i) perform proportionate and risk-based due diligence checks on the Intermediary based on an understanding of the potential relationship (e.g. the sector in which the Intermediary operates, the type of services it will be providing and the level of interaction it will have with Officials or private sector parties); and
 - (ii) consider and respond appropriately to the findings of that due diligence, particularly where areas of high concern are identified.

6. **Charitable donations:**

- a. The Trust supports the work of registered and reputable charities.
- b. However, unless appropriate procedures are adopted, there is a risk that charitable donations given by the Trust or its employees may be perceived as seeking to improperly influence decisions which affect the Trust, or to induce those who have authority to make such decisions to give an improper business advantage to the Trust.
- c. The key principles regarding donations are as follows:
 - (i) donations must not be made using Trust's funds, under the Trust's name, or in connection with the Trust, without first obtaining specific approval from the Compliance Officer;
 - (ii) where making a donation as a private citizen, Trust's employee should ensure it is made clear to the recipient and in any publicly available material that the donation is not being made for or on behalf of the Trust, or in connection with the activities of the Trust; and
 - (iii) A donation should not be made either privately or by the Trust if the intent or possible effect of the donation is or may be to influence the decisions of any Official or other person on matters affecting the Trust.
- d. All donations must be properly recorded and accounted for in the central register of political and charitable donations maintained by the Compliance Officer.

7. **Gifts, Hospitality and Entertainment (GH&E):**

- a. The Trust recognizes that constructive business relationships may include occasional, incidental provision of gifts, hospitality and entertainment.
- b. However, gifts, hospitality and entertainment which are or may be seen as exceptional, lavish or disproportionate, or given to certain individuals who have the ability to make decisions affecting the Trust, may be regarded as improper or unlawful.
- c. As a general rule, gifts, hospitality and entertainment must:
 - (i) be reasonable and proportionate in terms of frequency, value and the status/seniority of the recipient;
 - (ii) be provided in an open and transparent manner; and
 - (iii) always be provided for legitimate business purposes and in kind only.
- d. The Trust and its employees must not:
 - (i) offer gifts, hospitality and entertainment, or anything else of value, which might influence the decisions of counterparties or Officials in connection with the business of the Trust; or
 - (ii) accept any gifts, hospitality and entertainment, or anything else of value, which might influence their own decisions.
- e. The Trust shall comply with GH&E at all time, in accordance with the InvIT Regulations, including that:
 - GH&E which is or may be regarded as, exceptional, lavish or disproportionate and/or intended to induce or reward improper conduct is prohibited.



- Trust and its employees must not offer, provide, accept or solicit gifts in the form of cash, cash equivalents, commissions, loans, securities or goods/services at below-market value.
 - The Trust must pay all costs associated with GH&E (e.g. transport, accommodation and meals) directly to suppliers and not to the recipients of the GH&E.
 - GH&E must not be offered or provided to family members or friends of the recipient.
 - Approval of GH&E, including GH&E relating to Officials, is required in accordance with this Policy and must be obtained in advance of any offer or acceptance of GH&E. If circumstances clearly prevent obtaining advance approval, the GH&E must be reported to the Compliance Officer at the earliest available opportunity.
 - Failure to comply with this Policy may result in disciplinary action, including possible termination of employment.
 - All GH&E must be properly recorded and accounted for in the books and records and must be supported by original receipts.
 - All GH&E approval forms (whether approved or declined) must be held on file by the Compliance Officer for a period of five years.
 - GH&E with a value in excess of Rs. 5,000 must be approved by the Compliance Officer and in excess of Rs. 10,000 must be approved by the managing director of the Trust, and all such GH&E shall be recorded by the Compliance in the annual GH&E central register.
 - The annual GH&E central register must be submitted to, and reviewed annually by, the Audit Committee.
- f. Trust's employees should consider the above guidelines in respect of all gifts, hospitality and entertainment which they propose to offer or accept.

8. **Facilitation Payments:**

- a. The Trust is committed to complying with the laws applicable to its business. The trust acknowledges that facilitation payments, which usually are small payments made to obtain or expedite routine actions for specific performance, are not permitted under the laws of many jurisdictions and that authorities in many parts of the world are seeking to eliminate such practices.
- b. If an employee of the Trust becomes aware that a facilitation payment may be made, this must be referred to the Compliance Officer, who will consider, consult as necessary and recommend action.
- c. The Compliance Officer will report to the Audit Committee on any matters relating to facilitation payments.

9. **Conflict of Interest:**

- a. Employees of the Trust must seek to avoid any real or perceived conflict between their private interests and the performance of their duties to the Trust.
- b. A conflict of interest arises when an individual's private interests influence, or may appear to influence, the objective exercise of his or her duties to the Trust. Conflicts of interest can arise where, for example, an employee and/or the Trust is considering business arrangements involving the Trust which may provide the employee with a private benefit, or where an employee position within the Trust gives them an opportunity to provide special advantages or benefits to a partner, child or friend.
- c. If a situation arises which may give rise to a conflict of interest involving an employee, another employee or an external party in connection with matters affecting the Trust, the employee must promptly raise this with the Compliance Officer.

10. **Books and Records:**

- a. The books and records of the Trust must reflect, accurately and fairly, the transactions of the Trust and dispositions of its assets, including ensuring that a transaction is accurately described in its books and records and the amount of each transaction is accurately recorded.
- b. No payment on behalf of the Trust is to be approved or made with the express or implied agreement or the intention that any part of it is to be used for a purpose other than that described by the documents supporting the payment.
- c. Employees should never agree to requests for false invoices or for payments of expenses that are unusual, excessive, inadequately or improperly described, or otherwise raise questions under this Policy.
- d. No undisclosed or unrecorded funds or assets are to be established or used for any purpose.



11. **Training:**

- a. Employees of the Trust will receive regular (at least annual) training relevant to their role to ensure that they:
 - (i) understand the Anti-Bribery Laws applicable to them;
 - (ii) are aware of and understand this Policy;
 - (iii) are equipped to respond to the specific risks which relate to their particular role; and
 - (iv) know what the Trust expects of them.
- b. Where appropriate Intermediaries will also receive training appropriate to their role. The nature of such training and those Intermediaries who are to be subject to it will be determined by the Compliance Officer.
- c. Employees of the Trust should check with the Compliance Officer in connection with engaging Intermediaries and any training obligations which apply.

12. **Whistle-blowing, investigations and non-retaliation:**

- a. Employees and Intermediaries (anonymously or by name) who are aware of possible or suspected corrupt acts by colleagues, demands for Bribes or other violations of Anti-Bribery Laws or this Policy must report these to the Compliance Officer or head of department. Any such reports will be promptly investigated by the Trust.
- b. An employee of the Trust or Intermediary will not suffer demotion or any other adverse consequences for refusing to pay Bribes or for reporting in good faith possible corrupt acts by colleagues, demands for Bribes or other suspected violations of Anti-Bribery Laws applicable where the Trust operates or this Policy, even if it may result in the Trust losing business.
- c. Any Trust employee who retaliates, or attempts to retaliate, against a person who has made a report relating to a violation of Anti-Bribery Laws or this Policy will be subject to disciplinary action, which may include termination of their employment with the Trust.

13. **Compliance:**

- a. Any employee of the Trust who violates any Anti-Bribery Law or any aspect of this Policy will be subject to disciplinary action, which may include termination of their employment with the Trust.
- b. Employees of the Trust should understand that additionally, they could be subject to civil and criminal liability for violations of applicable law.
- c. Violations of any Anti-Bribery Laws or this Policy should be reported.

14. **Continuous monitoring and improvement:**

- a. The Audit Committee and Compliance Officer are responsible for monitoring the implementation of, compliance with and periodic review and updating of this Policy, including to comply with changes in Anti-Bribery Laws.
- b. In line with this, the Compliance Officer will report:
 - on a regular basis, on general compliance by the Trust with this Policy and its effectiveness; and
 - to the Audit Committee annually on the above matters in connection with the annual ABC risk assessment and audit.
 - The Compliance Officer will also notify the Audit Committee should he/she become aware of any particular instance of non-compliance (or suspicion of non-compliance) with Anti-Bribery Laws or this Policy.
 - The Trust carries out an annual ABC risk assessment and audit to assess the effectiveness of this Policy. The terms of reference of such audits are set annually by the Audit Committee, which will also oversee the annual audit. Where issues are identified, the Audit Committee will prescribe appropriate remedial measures to be implemented by the Trust in order to address these.
 - Any material deficiencies in this Policy which are identified by employees of the Trust during the year should be reported to the Compliance Officer for an appropriate action to be taken.



15. **The Compliance Officer:**

The Trust employs a Compliance Officer who is responsible for day to day implementation and oversight of this Policy. Their responsibilities also include:

- a. receiving and investigating reports of ABC-related incidents;
- b. escalating known ABC issues to the Audit Committee, as appropriate;
- c. reporting to the Audit Committee as set out above;
- d. ensuring employees of the Trust complete ABC questionnaires and certifications (as relevant) in a timely manner;
- e. maintenance of the central donations register and annual gifts, hospitality and entertainment register; conducting regular spot checks of compliance with this Policy and the Trust's books and records;
- f. providing guidance to Trust's employees on this Policy; and
- g. Record keeping in connection with this Policy and associated training.

16. **Advice and Assistance:**

Employees should contact the Compliance Officer for advice and assistance on any matters relating to this Policy.

17. **Minimum Due Diligence Requirements:**

In the event that the InvIT considers any new investment opportunity, independent and reputable consultants shall be engaged to conduct the respective due diligence for all key workstreams. The key workstreams include: (i) traffic, (ii) technical, (iii) financial and tax, (iv) legal and (v) anti-corruption and anti-bribery aspects, environmental health safety aspects and compliance as well as (vi) reputational risk assessment of a remaining existing minority unitholder in an asset, if any.

18. **KYC Compliances:**

Any person who is a unitholder in the Trust or any Project SPV holding the Trust assets would be required to comply with the stringent KYC norms that is in line with international market standards and customary policies of global financial institutions of repute, including sanctions enacted by OFAC or the European Union or other similar bodies. Any person who does not meet these requirements is not eligible to become a unitholder/shareholder of these entities or be appointed as Investment Manager or Project Manager.

19. **Reporting of Litigation:**

Relevant information (e.g. parties, forum, nature of dispute/claim, monetary amount involved and status) pertaining to all litigations/disputes (matters above a monetary threshold of ₹ 80 million) of all Project SPVs shall be prepared on a quarterly basis, and be made available to all the unitholders, if requested for by any unitholder.

20. **Compliance with InvIT Documents and InvIT Regulations:**

All current and future Project SPVs shall amend their respective Articles of Association to include a requirement that the Project SPVs shall, at all times, conduct their affairs in compliance with the provisions of the Trust documents and the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended.

Adopted by the Board of Directors of National Highways Infra Investment Managers Limited on behalf of the Trust on February 3, 2021 and amended on September 27, 2021.

Certified True Copy



Authorised Signatory

Name: **MATHEW GEORGE**

Designation: **CFO, NHIMPL**