



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

## 1. INTRODUCTION

IndoStar Capital Finance Limited (hereinafter referred to as “**ICFL**” or the “**Company**” or “**IndoStar**”) believes in conducting its business in an honest and ethical manner. IndoStar has a zero-tolerance approach to Bribery and Corruption and is committed to act professionally with integrity in all its business dealings and relationships wherever it operates and to that effect is inclined towards implementing and enforcing effective systems to prevent and counter Bribery and Corruption.

Consistent with its core values, IndoStar is committed to complying with applicable Anti-Bribery and Anti-Corruption Laws. This Anti-Bribery and Anti-Corruption Policy (hereinafter referred to as “**Policy**”) lays out the spirit and guiding principles for all the employees, directors, and any other entity or individual acting for or on behalf of IndoStar to ensure compliance with the applicable Anti-Bribery and Anti-Corruption Laws, rules and regulations.

## 2. PURPOSE

This Policy is designed to enhance and provide further guidance to the Stakeholders regarding Bribery and Corruption. This Policy outlines acceptable and non-acceptable behavior to ensure compliance with Anti-Bribery and Anti-Corruption Laws. This includes compliance with all laws - domestic and foreign, prohibiting improper payments, Gifts or inducements of any kind to and received from any person, including officials in the private or public sector, customers and suppliers. This Policy provides guidelines to prevent, detect and report bribery instances. It also includes how in ambiguous situations you can seek guidance and prevent any potential violations.

## 3. SCOPE AND APPLICABILITY

This Policy outlines acceptable and non-acceptable behavior to ensure compliance with Anti-Bribery and Anti-Corruption Laws.

This Policy shall apply all Stakeholders working for or acting on behalf of the Company or any of its subsidiary(ies) as defined in this Policy, and all are required to act as necessary to always safeguard and ensure compliance with this Policy.

The Company complies with all applicable Anti-Bribery and Anti-Corruption Laws, including but not limited to the , Prevention of Corruption (Amendment) Act, 2018 (“**POCA**”), U.S. Foreign Corrupt Practices Act (“**FCPA**”), Bribery Act 2010 of United Kingdom (“**UKBA**”), the Corruption of Foreign Public Officials Act of Canada (“**CFPOA**”), Bermuda’s Bribery Act 2016 (“**BBA**”), The Indian Penal Code, 1860

/ Bharatiya Nyaya Sanhita, 2023<sup>1</sup>, The Prevention of Money Laundering Act, 2002. and the Company expects its Third Parties to comply with the same. The Company is committed to prevent Bribery by persons and entities associated with IndoStar and to develop a culture in which Bribery is never acceptable. The Board sets the tone and provides leadership and oversight for the development, implementation and operation of this Policy.

This Policy should be read in conjunction with the Code of Conduct, Company Policies and Guidelines which serves as a guide for how one should conduct oneself as a member of the Company. Further it should be borne in mind that if stricter norms are prescribed under any applicable Anti-Bribery and Anti-Corruption Laws with respect to any requirements, restrictions laid down in the Policy, then, the Stakeholders shall comply with such stricter norms.

#### 4. DEFINITIONS

The following terms have been used in the Policy; however, it is imperative that one should seek guidance from the Chief Compliance Officer whenever in doubt.

- i) **“Anti-Bribery and Anti-Corruption Laws”** shall mean various domestic and globally applicable anti-bribery and anti-corruption laws which includes but not limited to the Prevention of Corruption (Amendment) Act, 2018 (India), FCPA, UKBA, CFPOA and BBA. In addition to the Prevention of Corruption Act, inter alia the following laws in India also presently apply to offences relating to or resulting in Corruption and Bribery and resolutions available in case of occurrence of Corruption or Bribery: (i) Bharatiya Nyaya Sanhita, 2023; (ii) Prevention of Money Laundering, 2002; (iii) Central Vigilance Commission Act, 2003; (iv) Lokpal and Lok Ayukta Acts of various states, (v) The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015.
- ii) **“Bribe” or “Bribery”** shall mean and include promising, offering or giving, demanding, accepting, receiving, or soliciting an undue advantage, anything of value to a person, family members, associates or entity, including public servant, either directly or through an intermediary, by use of improper means, in order that the person or entity should perform, or refrain from performing, including performance of public duty, an act which is illegal, unethical or in breach of their business or public duties. This is regardless of whether the activity is linked to past, present or future business transactions.

It is illegal and immoral to, directly or indirectly, offer or receive a Bribe. Certain illustrative actions

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<sup>1</sup> The Bhartiya Nyaya Sanhita, 2023, was enacted to replace the Indian Penal Code, 1860, and shall come into force on such date as notified by the Central Government by notification in the Official Gazette.

listed below, undertaken directly or through a Third Party, shall be construed as form of Bribery:

- a) payment of cash or cash equivalents, such as Gifts or other forms of illicit payment to obtain a license, secure a contract etc.;
- b) Gifts, Hospitality, or entertainment intended to influence the recipient to undertake a particular course of action;
- c) extending employment opportunities, directorships, internships or secondments;
- d) phony jobs, internships or “consulting” relationships, fake consultancy agreements;
- e) procurement and service contracts;
- f) inflated commissions, excessive/unauthorized discounts or rebates;
- g) offering Kickback;
- h) offering Facilitation Payments;
- i) offering non-monetary favours / anything of value;
- j) arranging travel, entertainment, and meals, intended to illicitly influence the recipient to undertake a particular course of action;
- k) paying of inadequate consideration of goods and services;
- l) extending favours regarding recruitment opportunities to self, relatives etc.;
- m) payment of travel expenses or accommodation for a customer or official when there is no justifiable underlying business purpose for such travel or accommodation;
- n) making Political Contribution, Charitable Donations with an ulterior motive of taking advantage;
- o) disbursing non-arm’s length loans, waiver of debt or other transactions, without appropriate approvals / justifiable underlying business purpose;
- p) abuse of function;
- q) sharing of inside information;

- r) extending unusual or extravagant personal favors or sexual favors.
- iii) **“Charitable Donations”** shall mean financial or material support and typically involves the payment of a fee or 'in kind' support to a charity or non-profit organization.
- iv) **“Chief Compliance Officer”** shall mean the officer appointed by the Company in the capacity as the chief compliance officer who shall, in addition to their other obligations also undertake the obligations provided under this Policy.
- v) **“Corruption”** shall mean any act intended to result in the misuse of entrusted responsibility and/or authority for improper personal or corporate gain, including Bribery, Facilitation Payments conflicts of interest and misuse of Company assets.
- vi) **“Facilitation Payment(s)”** shall mean any payment intended to secure or expedite any routine government actions. Facilitation payments are small unofficial payments made:
  - a) to secure or expedite routine actions, administrative process or other governmental action which the payer has legal or other right to receive; or
  - b) to induce public officials or other third-parties to perform routine functions they are otherwise obligated to perform, such as issuing permits, approving immigration documents etc.;

This does not include official, legally permitted statutory or administrative fees formally imposed and codified by government agencies for expedited service.
- vii) **“Foreign public official”** shall mean, any officer or employee of a foreign government (i.e., other than India) or any department, agency, or instrumentality thereof, or of a public international organization; any person acting in an official capacity for or on behalf of a foreign government or government entity or of a public international organization.
- viii) **“Gift(s)”** shall mean items of value accepted from or provided to a Third Party by the Company or the specified persons of the Company, including but not limited to:
  - a. merchandise (includes gift baskets, wine, clothing, mugs, pens, collectibles, and Hospitality bags);
  - b. tickets to in-person or virtual, sports, music or cultural events where the specified persons and representatives of the Third Party providing the tickets do not attend the event together;
  - c. gift certificates, gift cards, discount cards, memberships and employment or consulting

relationships.

- d. travel or lodging not associated with a business conference, meeting or event;
- e. favorable terms or discounts on a product or service for the specified person's benefit that are not otherwise available to all the specified persons within the same geographic location;
- f. includes any items, monetary gifts, goods, services, other tangible items or benefit (pecuniary or otherwise) given voluntarily without expectation of compensation or payment in return;
- g. these are just examples; the potential list is endless.

ix) **“Government/Public Official”** shall mean:

- a. An officer or employee, regardless of rank, of any national, provincial, regional or local government agency or department (whether domestic or foreign), including but not limited to police agencies, customs officials, local tax officials, issuers of government permits, approvals or licenses and/or immigration officials;
- b. An officer or employee of any company, business or commercial enterprise or entity that is owned or controlled in whole or in part by any government;
- c. A political candidate or a political party or any officer or employee of a political party;
- d. Person who is employed by or is acting in an official capacity for court(s) or judicial body(ies) and includes judges;
- e. Members of the royal family;
- f. Elected officials;
- g. An officer or employee of a public (quasi-governmental) international organization (such as the United Nations, World Bank, International Monetary Fund, International Olympic Committee etc.);
- h. Any private person acting in an official capacity for or on behalf of any government or public international organization (an official advisor to the government or a consultant responsible for making procurement recommendations to a government);
- i. Spouses, family members / relatives of any of the individuals specified above.

**x) High-Risk Transactions” -**

Any transaction that is perceived to have high exposure to Bribery and Corruption are termed as high-risk transactions. Some of such transactions include:

- a. Exposure to a particular sector is more vulnerable to Bribery and Corruption;
- b. Transactions that require interaction with Government/Public Officials and Foreign Public Officials for permits, licenses etc.;
- c. Business that requires high level of involvement of business representatives, third party intermediaries, consultants, service providers etc.;
- d. Business in countries which are high in corruption index;
- e. Political donations;
- f. High value transactions;
- g. Cash transactions through branch imprest.

**xi) “Hospitality”-**

Hospitality includes any form of activity to initiate or develop or strengthen its business relationships with existing or prospective customers and business partners which includes but not limited to:

- a. gratuitous social amenity, entertainment, appetizers, entrees, drinks, deserts, other food and beverages, or meal;
- b. travel arrangement, accommodation or invitation for participating to in-person or virtual ceremonies, awards, seminar, conventions, theatrical/music events, sporting events, cultural or social events etc. where the specified persons and representatives of the Third Party providing the tickets attend the event together.

**xii) “Kickback” shall mean** a form of negotiated Bribery in which a commission is paid to the Bribe-taker as a Quid Pro Quo for services rendered. The remuneration (money, goods or services handed over) is negotiated ahead of time. The kickback varies from other kinds of bribes in that there is implied collusion between agents of the two parties, rather than one party extorting the Bribe from the other. The purpose of kickback is usually to encourage the other party to cooperate in the illegal scheme.

**xiii) “Government/Public Official” -**

Government / Public Official shall include:

- a. An officer or employee, regardless of rank, of any national, provincial, regional or local government agency or department (whether domestic or foreign), including but not limited to police agencies, customs officials, local tax officials, issuers of government permits, approvals or licenses and/or immigration officials;
- b. An officer or employee of any company, business or commercial enterprise or entity that is owned or controlled in whole or in part by any government;
- c. A political candidate or a political party or any officer or employee of a political party;
- d. Person who is employed by or is acting in an official capacity for court(s) or judicial body(ies) and includes judges;
- e. Members of the royal family;
- f. Elected officials;
- g. An officer or employee of a public (quasi-governmental) international organization (such as the United Nations, World Bank, International Monetary Fund, International Olympic Committee etc.);
- h. Any private person acting in an official capacity for or on behalf of any government or public international organization (an official advisor to the government or a consultant responsible for making procurement recommendations to a government);
- i. Spouses, family members / relatives of any of the individuals specified above.

**xiv) “Adequate Disclosures” -**

All invoice should distinguish between professional fees and reimbursement expenses, have adequate descriptions of the goods or services provided, and shall be supported by necessary documentation as proof of performance of service/engagement, business approvals and rationale for engaging third parties.

**xv) “Political Contribution” -**



"Political Contribution" is any monetary or in-kind contribution to a federal, state, or local candidate, incumbent officeholder, political party, political action committee, organization, including not for profit organization/ tax-exempt organization created primarily to influence the selection, nomination, election, appointment or defeat of candidates to federal, state or local public office, transition or inaugural committee, independent expenditure committee or similar organization made: (a) for the purpose of influencing any state, country or local election for political office or ballot initiative; or (b) to pay debt incurred in connection with any an election or ballot initiative.

**xvi) "Stakeholders"** shall mean the internal and external stakeholders:

- a. includes **internal stakeholder(s)** like IndoStar's member(s) of the Board, employee(s) including permanent; and fixed-term or contractual, or temporary, intern(s), indirect employee, management trainee(s); temporary/ contractual staff, apprentices, probationers, trainees whether paid stipend or not, acting for or on behalf of the Company or in connection with or incidental to the work of the Company or by the Company, wherever they are located;
- b. includes **external stakeholder(s)** like, Third Party(ies) working or acting on behalf of and/or for IndoStar.

**xvii) "Third Party(ies)"** shall mean include any individual or entity, whether private or public, employed by or acting on behalf of IndoStar / its subsidiary company(ies)/ engaged in the business of or in the name of IndoStar or its Subsidiary Company(ies) and includes vendors, suppliers, agents, consultants, subcontractors, advisers and/ or any other experts(s) who work for and on behalf of IndoStar for remuneration or not.

## **5. PROHIBITION ON BRIBERY**

IndoStar prohibits Bribery, including Facilitation Payments, in all forms. The Company strictly prohibits Stakeholders to:

- Offer, promise to offer, accept, solicit, abet or authorize to pay Bribe, illegal gratification, financial or any other advantage to or from any public official or entity, public servant, private business partner, directly or indirectly;
- Improperly influence their official acts or decisions, or to obtain or retain business for Company or for any other person or entity, or to secure any improper advantage, or personal gain;

- Offer, promise, provide or receive prohibited gratuities, Kickbacks, Gifts, entertainment, facilitating payments, or anything of value to or for the benefit of a government official or any other person contrary to Anti Bribery and Anti-Corruption Laws;
- Engage in any corrupt, fraudulent, coercive or collusive practice.

The company has a corresponding Anti-Bribery and Corruption Program that outlines the specific actions we take to prevent and detect Bribery in our business. As set forth in this Policy, there are certain circumstances in which we are required to take specific actions in accordance with the Anti-Bribery and Corruption Program.

## 6. STANDARDS OF CONDUCT

The following areas are identified as potential risk areas for Corruption and include “**Standards of Conduct**” that are intended as principles and guidance to assist in identifying and dealing with situations of potential Corruption.

### i. DEALING WITH THIRD PARTIES

IndoStar does business with a number of consultants, experts, advisors, investment bankers, agents, brokers, arrangers, vendors, suppliers, business partners, service partners and third-party intermediaries, etc. ("**Third Party(ies)**"). These Third Parties perform services for, provide services to and/or engage in business for or on behalf of IndoStar, including engagement in activities that require or involve interaction with various Public Officials. Third Parties are responsible to conduct business according to this Policy, as IndoStar may be held liable for their actions.

IndoStar's commitments to ethical business practices and anti-Corruption extends to its relationships with Third Parties. IndoStar does not tolerate Third Parties promising, offering, giving, or accepting Bribes of any kind in connection with our business. Authorizing, encouraging, or knowingly allowing (which includes having a reasonable suspicion of their intention) any Third Party to pay or receive Bribe or ignoring suspected Bribery or corrupt activities by Third Parties intending to benefit IndoStar, is strictly prohibited under this Policy and Anti-Bribery and Anti-Corruption Laws. No employee shall circumvent the Company's policies and procedures by using the Third Party to do what the Company would not do itself. The Company shall avoid engaging in any business with Third Parties who do not have a zero-tolerance approach to Bribery.

#### Business Justification:

Before hiring/engaging a Third Party, consideration must be given as to whether the Third Party is

necessary, and if so, what work or services the Third Party would be required to provide.

#### Onboarding of Third Parties:

The following should be kept in mind prior to engaging a Third Party:

- a) Appropriate due diligence conducted in accordance with the Company's Third-Party Due Diligence Process is conducted and properly documented;
- b) Appropriate Anti-Bribery and Anti-Corruption provisions, in addition to Company's Code of Conduct, relevant policies, are incorporated in the contracts, including the right to audit, as well as a clause on termination, if the partner/party fails to abide by the Anti-Bribery and Anti-Corruption Laws;
- c) A written commitment is procured from the Third Party to ensure compliance to this Policy. IndoStar's employees are encouraged to monitor Third Parties to ensure their conduct is consistent with this Policy.
- d) All IndoStar employees who are involved in any aspect of the relationship with a Third Party shall make disclosure of such relationship to the Company

Please refer to the company's Third-Party Due Diligence Process and any other policies that may be required under the standard operating procedure of the Company for accessing the due diligence checklist and understanding further requirements. Based on the business requirement in case of scenarios wherein engagement with vendor prior to performing the third party due-diligence and vendor onboarding process, or there is an occurrence of any event which leads to a deviation from the requirements laid down in the Third-Party Due Diligence Process, it shall become imperative to obtain approval from the respective Head of Department along with an explanation for seeking the exception.

#### Payments:

Payments to Third Parties must be strictly for legitimate goods or services and shall commensurate to the fair market values. Employees must ensure that the Third Parties do not make Facilitation Payments or Kickbacks on the Company's behalf. In the event any employee of the Company has any doubts about a payment and suspect that it might be considered a Facilitation Payment, the employee shall [seek guidance from the Chief Compliance Officer].

All invoices should be approved by user department as per the approval matrix and payments must be processed accordingly. The invoice should distinguish between professional fees and reimbursement

expenses, have adequate descriptions, and shall be supported by necessary documentation as proof of performance of service/ engagement.

All payments to Third Parties shall be accurately reported in the Company's books and records with adequate disclosures in accordance with the Anti-Bribery and Anti-Corruption Laws and other applicable laws.

Compensation/ fee paid to a Third-Parties must be appropriate, reasonable and justifiable in return for legitimate services according to the written agreement entered into by the Company with the Third Party. All payments must be made directly to the legal entity of the Third Party (that is, not to a third-party nominee or any other entity), by a cheque or demand draft or other acceptable direct banking channels. The Company prohibits payments to Third Parties in cash or cash equivalent, except for petty expenses if the same is in accordance with the limits and terms prescribed under the Company's Branch Imprest Guidelines.

Request for reimbursement for expenses by the Third Party must be accompanied by adequate supporting documents such as receipts for payments in government treasury and other reimbursable expenses.

Compensation will only be paid following receipt of a valid invoice by the Company and to the Third Party's registered place of business/company within the Third Party's country of residence. No requests made for over- invoicing, or that all or a portion of the commission to be paid in the Third-Party's country of origin, to the Third Party, in cash or otherwise untraceable funds, or by other irregular methods will be accepted.

Sub-Contracting:

The Third Party shall have the right to sub-contract their works and/ or services to another person or entity, subject to the terms agreed between the Third Party and the Company.

If a sub-contractor is engaged by the Third Party where any specialized technical expertise is required, then the Third Party appointing the sub-contractor must ensure all actions of the sub-contractor remain compliant with this Policy and applicable Anti-Bribery and Anti-Corruption Laws.

In case of any doubts, the employees of the Company shall consult with the Chief Compliance Officer regarding concerns about any Third Party and to discuss appropriate Third-Party due diligence and contracting requirements. The employees of the Company must notify the Chief Compliance Officer if they learn that any Third Party engages/has engaged in corrupt or other improper practices.

## ii. GIFTS AND HOSPITALITY

Exchange of reasonable and courtesy business Gifts and Hospitality as part of business practices are allowed if they are transparent, proportionate, reasonable, modest in nature and value, infrequent and of a bona fide nature, unless the action violates this Policy or Anti-Bribery and Anti-Corruption Laws. Particular care and caution should be taken in dealing with Government/Public Officials and their employees, and Foreign Public Officials.

Receiving or agreeing to receive, offering, or providing Gifts and Hospitality is prohibited whenever they can be perceived to illicitly affect the outcome of a business transaction to the Company's advantage, potentially expose our business to undue influence, improperly inducing a third party to misuse their position, as a quid pro quo for official action or with linkage to an official decision. A Gift should never leave the recipient in a position of obligation.

### a. Gifts:

- Giving or receiving Gifts is permissible if it is not intended to influence the judgment or encumber the independence of the person receiving it. However, giving or receiving any cash and any other monetary instruments as a Gift shall not be permissible. The Gift should be moderate and reasonable in accordance with the thresholds specified in the *Guideline for Gifts and Hospitality*.
- Employees or Third Parties should never ask for or take Gifts or other favors that benefit them personally. IndoStar employees may accept Gifts from suppliers, customers or other business associates, provided the Gift:
  - i. does not create the appearance (or an implied obligation) that the Gift giver is entitled to preferential treatment, an award of business, better prices or improved terms of sale; or
  - ii. would not embarrass IndoStar or the Gift giver if disclosed publicly.
- Gifts to any family member or relative, including but not limited to payments to a family member or relative, or employment of a family member or relative are deemed Gifts received by the employee. Gifts to any person or entity at any employee's direction for the employee's benefit are also deemed as Gifts received by such employee.
- All employees must exercise good judgement in considering the value, frequency and intent of Gifts and entertainment; and never put themselves or others into a position of being under undue influence or suspicion thereof.

- Giving Gifts occasionally to Third Parties / constituents may be appropriate to strengthen relationships or comply with local customs or for the purpose of customary business expense in the normal course of business. Gifts should be directly related to legitimate activity of IndoStar, for example:
  - a. presentation or completion of business project(s);
  - b. edibles, promotional Gifts, Company's merchandise on certain occasions including common / local festivals or holidays such as National Day, Independence Day, New Year, Christmas, Diwali, Thanksgiving Day, International Women's Days, anniversaries, birthdays, retirements, ceremonial presentations etc.

Specifically, employees may offer Gifts to suppliers, customers or other third parties for legitimate business purposes such as building goodwill and strengthening working relationships. Such a Gift should be approved by the Head of Department with adequate business justification, be recorded in the Gift register to be maintained by the relevant department for such time as may be necessary under applicable legislations.

- Gift should not be in violation of any Anti-Bribery and Anti-Corruption Laws and should be in accordance with the terms mentioned in the Company's *Guideline on Gifts and Hospitality*. A Gift should never consist of cash or cash equivalent or loans, it should be fully documented with clear supporting and in an identifiable manner, by receipts and accurately recorded in the company's books.

**b. Business Hospitality and Entertainment:**

IndoStar does not prohibit receiving or giving of reasonable business-related Hospitality and entertainment (including meals and travel arrangement), provided the same is:

- a) legal, reasonable, only for business purpose and customs.
- b) It must always be in connection with a justifiable business meeting where the business content is predominant.
- c) Hospitality requires that the host be present; and that the Hospitality is fairly provided and modest in value.
- d) Hospitality must never be perceived as excessive or luxury and must never leave the recipient into a position of obligation.

- e) Hospitality must not be offered on an overly frequent basis.
- f) The following is never appropriate:
  - i. Entertainment that can be viewed as excessive in the context of the business occasion;
  - ii. "Adult" entertainment or any sort of event involving nudity or lewd behavior.
- g) The expenditure incurred must be properly and accurately recorded in the books of accounts with adequate supporting and documentation (for example, business Hospitality/entertainment request communication, requisite approvals, names and designation, original receipts of expenditure, etc.).

Please refer to the company's *Guideline on Gifts and Hospitality* for limits, additional requirements and guidance. If you are in doubt as to whether proposed Gifts and Hospitality to be given or received are appropriate, please contact the Chief Human Resource Officer for assistance.

### **iii. TRAVEL**

- Infrequently, it may be appropriate for customers, suppliers, business associates or Stakeholder to pay for travel-related expenses for IndoStar employees. As these situations are rare, offers to pay for travel and/or related expenses from third parties must be reviewed and approved by the reporting manager.
- In reviewing the travel request, the reporting manager should consider a number of factors, including whether:
  - a) the primary purpose of the travel is business-related;
  - b) the class of travel is appropriate in the business context;
  - c) the itinerary minimizes side trips and avoids tourist or vacation destinations.
- Employees and directors of IndoStar should not approve trips that appear to be provided in exchange for business or improper advantage. The Company should never approve:
  - a) any travel related expenses of spouse or children (except for relocation and/or as per company policy);
  - b) trips with intent to gain potential improper business advantage;

- c) trips arranged for tourist destinations without any business requirement.
- IndoStar does not allow providing any travel-related services to Government/Public Officials and Foreign Public Officials unless required by law or needed for business purpose. The travel arrangements can be done keeping in mind the following measures:
  - a) Travel arrangements i.e., taxi/cab shall be arranged by the Company, preferably through Company's approved vendors.
  - b) Travel arrangements should be approved by the Head of Department.
  - c) The purpose of the travel must strictly be business-related and the details should be adequately documented.
- IndoStar will not approve travel expenses for family members of Government/Public Officials and Foreign Public Officials and will never approve trips that appear to be provided to obtain or retain business or secure an improper advantage.
- Employees of the Company shall consult the Chief Compliance Officer when in doubt as to whether an event, location or expenditure is appropriate.

#### **iv. FACILITATION PAYMENTS**

- IndoStar's policy is that Facilitation Payments are not permitted.
- Stakeholders shall not directly or indirectly make a Facilitation Payment and accordingly Facilitation Payments made by an employee and included in an expense report will not be reimbursed by IndoStar.

#### **v. INTERACTION WITH PUBLIC OFFICIALS**

The Company may interact with the government, Government/Public Officials, government agencies, Foreign Public Officials in multiple forms, such as: for seeking statutory or regulatory approvals, as a supplier, as a customer, etc. Doing business with the government is highly regulated and typically follows stricter rules than those in the commercial marketplace. Stakeholders should be especially careful while dealing with Government/ Public Officials and Foreign Public Officials and should never offer, promise, or make a corrupt payment to a Government/ Public Official or Foreign Public Official for the purpose of obtaining or retaining business or to secure some other improper advantage. If any employee of the Company works with Government/Public Officials or a government-owned (or partially



owned) company or Foreign Public Officials, such employee of the Company has a special duty to know and comply with the Anti-Bribery and Anti-Corruption Laws and other applicable laws and regulations, adhere to the highest standards of integrity and avoid even the appearance of impropriety IndoStar prohibits offering, paying, promising, or authorizing a) payment of anything of value to Public Official to influence improperly a business outcome, b) to make any Facilitation Payment.

Business transactions and dealing with Government/Public Officials and Foreign Public Officials and with government-controlled entities are always considered as High-Risk Transactions. Any form of cash or cash equivalent, favors like Bribe, Kickbacks, Facilitation Payments, fast track payments, side payments, special commissions, Gifts, travel & entertainment, personal services, internship/ job to a relative of a Government/ Public Official or Foreign Public Official or honors/ awards, or political/ charitable contributions are not permitted by IndoStar.

Laws of most nations prohibit giving anything of value to Government/Public Officials and Foreign Public Officials in order to obtain or retain business or to secure some other improper advantage, it is important that employees take special care when offering Gifts to Government/Public Officials and Foreign Public Officials and ensure that Gifts to these individuals cannot be construed as Bribes.

The Company allows routine business courtesies (which are also provided to its employees during normal course) to Government/Public Officials and Foreign Public Officials on exceptional basis (like working lunch/dinner in the office premises) which is also provided to its employees and Third Parties.

**This Policy requires all employees of the Company to adhere to high ethical standards and to comply with applicable laws in dealings and interactions with Government/Public Officials or Foreign Public Officials.**

Please refer to the Company's *Guideline for Interaction with Public officials* for details. In practice, situations can be complex, and this Policy does not cover every circumstance that may be encountered. When in doubt, please contact the Chief Compliance Officer for assistance.

#### **vi. CHARITABLE DONATION, SPONSORSHIPS AND POLITICAL CONTRIBUTION**

All Stakeholders should be aware of the potential Bribery and corruption risk associated with Political Contributions, donations or sponsorships and are expected to conduct business with the highest professional and ethical standards.

This Policy recognizes that IndoStar is involved / associated in various corporate social responsibility initiatives and accordingly all such bona fide activities, donations, charities or contribution towards

corporate social responsibility, social development etc. are permitted subject to adherence of this Policy, and compliance of applicable legislations including appropriate disclosures thereof.

The employees of the Company must not solicit or offer donations to clients, suppliers, vendors, public officials or others in a manner which communicates that a donation is a prerequisite for future business or that the offer of a donation is intended to obtain or retain business and a business advantage. If an employee of the Company is requested by a public official to make a donation to a particular charity, such employee of the Company shall be required to obtain an approval from Management Committee before agreeing to or making the donation.

As part of its corporate citizenship activities or to comply with statutory requirements of fulfilling corporate social responsibility, as may be applicable, the Company may make Charitable Donations that are legal and ethical without any ulterior motive of Corruption. However, care must be taken that the Charitable Donations are not used as a scheme to conceal Bribery.

If a Government/Public Official or Foreign Public Official requests donation(s) to a particular charity, pre-approval from Management Committee needs to be obtained before agreeing to or making the donation.

Due diligence must be performed for any proposed charitable or not-for-profit organization in accordance with Third Party Due Diligence Process. Further, no donation must be offered or made without the approval of the Management Committee and Corporate Social Responsibility Committee of the Board of Directors of the Company.

A. Charitable Donations by the Company should broadly confirm to the following:

- a. there is a genuine business purpose / regulatory requirement for making the charitable donation;
- b. the donation is not made for the purpose of influencing a recipient to misuse their position;
- c. Charitable Donations must be offered or made only with prior approval of Board of the Company;
- d. employees of the Company should not offer or make a donation/sponsorship to any organization which is in legal or financial conflict with IndoStar or which does not share our approach towards ethical standards;
- e. the donation is not to enter into a quid pro quo arrangement with an organization as a means of gaining favorable terms from that organization or its affiliates/connected parties in any other

business agreements;

- f. employees should not solicit Charitable Donations from external parties with which the Company has (or is seeking) business dealings or regulatory approvals;
- g. the making of any donation cannot be expected to result in negative reputational implications for the Company or be controversial in any way.

Use of an intermediary to offer or make any donation/sponsorship between the Company and a charity is strictly prohibited unless a prior approval is obtained from the Management Committee which shall sufficiently document the rationale of using the Intermediary.

Charitable Donations made by individuals on their own behalf are encouraged whether through in-kind services, knowledge, time, or direct financial contributions. These donations should have no relationship to Company business and must comply with applicable laws, rules and regulations (including Anti-Bribery and Anti-Corruption Laws).

Also, unless approved, it is prohibited to use the company's name, resources, or business contacts for solicitation of donations.

Refer to *Corporate Social Responsibility Policy* for further details.

Do not offer or make contributions to political parties, officials and/or candidates that might influence, or be perceived as influencing, a business decision. No **Political Contribution** shall be offered or made on behalf of the Company without prior approval from Management Committee of the company. In addition to the abovementioned parameters, such contribution shall also confirm to the provisions of applicable laws, rules and regulations.

Employees may participate as individual citizens in the political process in compliance with the Anti-Bribery and Anti-Corruption Laws and other terms as set out in this Policy, decisions to do so are entirely personal and voluntary and in their individual capacity. Personal political activities must not suggest IndoStar's support and must not use IndoStar resources. Employees of the Company shall avoid any interest/situation which may impact IndoStar's reputation. Employees of the Company must not use their position with the Company to coerce or pressurize other employees to make contributions to or support or oppose any political candidates, elections, or ballot initiatives.

## **vii. HIRING AND RECRUITMENT**

Hiring and recruitment functions need to be designed to find, attract, and employ the right people

to create a workforce that is able to meet the Company's business goals now and in the future. Hiring of candidates must be strictly based on merit and must meet business requirements.

- a) The candidate should not be hired based only on the recommendations or influence of any other Stakeholders, employee, business partner or for pleasing any Government/Public Official and Foreign Public Officials.
- b) Hiring any former Government/Public Official or Foreign Public Official and / or their immediate family member, requires the approval of the Management Committee and the Chief Compliance Officer of the Company, with a clear business justification and the position should not have been created as a special position to influence or gain business/ advantage.
- c) Hiring former public officials or applicants related to, or referred by, public officials could be seen as a Bribe in certain situations and should be subject to enhanced review to ensure that the related risks are appropriately mitigated. Refer to *Guideline on Recruitment and Onboarding Process* for procedures relating to identification and mitigation of these risks prior to employment and/or hiring of services. Any queries/doubts relating to hiring of former public officials shall be addressed to the Chief Compliance Officer.
- d) Once approval is granted, due diligence and background checks must be conducted inter alia for corrupt practices prior to making an offer of employment.

#### **viii. RISK ASSESSMENT**

Risk assessment of a transaction should be done on the basis of its exposure to potential Bribery and Corruption activities. Adequate measures proportionate to the risk perceived should be in place to prevent and detect any unethical acts of Bribery and Corruption in such areas.

Please reach out to the Chief Compliance Officer in case of any doubt.

#### **ix. MERGER, ACQUISITIONS AND JOINT VENTURES**

The Company shall undertake appropriate and reasonable due diligence regarding compliance with anti-Bribery and anti-Corruption procedures, and on the reputation and integrity of any business in which it makes investments. The Company, when it is acquiring a potential target or entering into a joint venture or partnership or similar business arrangement, where appropriate, will extend the relevant policies to such business units, train employees of such business units, re-evaluate third parties under company standards and where appropriate, conduct audits on such business units.

When undertaking any merger, acquisition, or joint venture, IndoStar must ensure that the due diligence process carried out will identify if the target company presents any actual or potential risks in relation to Anti-Bribery and Anti-Corruption Laws.

The Anti-Bribery and Anti-Corruption due diligence shall include any actual or perceived potential conflicts of interest, the reputation and past conduct of the target company, details of the target company's anti-Corruption policy/ program and any prior, current or threatened administrative, civil or governmental proceedings.

#### **x. ADVANCES TO STAKEHOLDERS**

Business activities at times require to provide certain payments prior to its normal schedule in form of advance payments. It is essential that the advances extended to Stakeholders are used legitimately and judiciously and in compliance with applicable Anti-Bribery and Anti-Corruption Laws and are recorded adequately in the books of accounts.

- (i) The Stakeholder seeking the advance should have business justification for requesting for advance.
- (ii) No advance payments should be made with the intent to influence the possible outcome of any transaction which is corrupt and not for legitimate business intent. Advance payments should not be used for making any corrupt or irregular payment by or to any Stakeholder.
- (iii) All such advances shall be provided only through online payments / cheque / fund transfer etc. and the Company will generally not allow any cash transactions (payments) for making advance payments to Stakeholder. However, subject to laws applicable to the Company and approval of Head of Department, cash payments of smaller denominations can be made through branch imprest where circumstances preclude regular payment and reimbursement processes and only when it is not possible to pay in any way other than cash. Stakeholders are required to submit expense support at the time of settlement of all advances.
- (iv) The expense incurred should have adequate documentation to support the advance. Every payment must be evidenced by an invoice and never against a vendors/third party statement or final demand. Such original invoice shall be retained by the Company and filed in the records.
- (v) All the invoices should be approved by the Head of the Department or as per approval authority matrix and subsequently verified with purchase orders or agreements signed with the vendors,

third parties, service providers, as the case maybe.

- (vi) The transactions should be supported with approvals and details of the expense incurred. Proof of receipt of goods/services like stamping or entry in goods received register etc. should be available, and if possible, it should be physically verifiable.

## **7. FINANCIAL CONTROL AND RECORD-KEEPING**

- IndoStar is committed to preparing and maintaining, reasonably detailed and accurate books and records for transactions, including cash and bank accounts, and maintain a system of internal controls and financial accounting with adequate documentation to avoid any non-compliance with this Policy and any other related policies, procedures and applicable laws.
- All transactions should be recorded completely, accurately and with sufficient detail so that the purpose and amount of any such payment is clear. False, misleading, or artificial entries should never be made in the books and records of the Company for any reason. No accounts shall be kept 'off-book' to facilitate or conceal improper payments. All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, service providers and business contacts shall be prepared and maintained with strict accuracy and completeness.
- IndoStar's Stakeholders shall ensure all expense claims relating to Hospitality, Gifts or expenses incurred to third parties are submitted in accordance with applicable systems and process for approving expenses/ reimbursements.
- IndoStar shall keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to any third parties and to prevent and detect Bribery as part of ongoing business operations. These controls include those that are part of IndoStar's overall governance and internal control environment (e.g., periodic internal audit), as well as those geared specifically to prevent and detect Bribery. The controls relate to maintaining: (i) accurate books and records, (ii) branch imprest processes, (iii) effective payment processes, and (iv) reimbursements to employees.
- All Stakeholders must disclose comprehensive, accurate, and adequate details to clarify the purpose and amount of any transaction, thereby ensuring adherence to proper record-keeping standards and supporting compliance. Any transaction no matter how seemingly insignificant that might give rise to the violation of this Policy must promptly report to the Chief Compliance Officer.
- To ensure the integrity and accuracy of our financial transactions, all invoices submitted for payment

must undergo a structured approval and verification process, overseen by the relevant department heads. This process serves towards demonstrating a three-way match prior to disbursement of funds to third-party vendors.

1. Departmental Approval – The head of the department responsible for the procurement of goods or services is required to review and approve all invoices related to those transactions. The approval confirms that the goods or services have been received in satisfactory condition and that the invoice accurately reflects the agreed-upon terms.
  2. Verification against Purchase Orders or Agreements – Prior to granting approval, the Head of Department must ensure that the invoice is cross-verified with the corresponding purchase order or signed agreement or agreed terms.
  3. Upon successful verification and approval from the Head of Department payment to the third-party vendor may be authorized.
- Employee Reimbursements:
    - a. In recognition of the unique nature of geography through which the branch operations are conducted, setting-up of new branches at remote locations, inherent complexity of repossession activities undertaken by the Company, employees are permitted to claim reimbursement for specific official expenses related to obtaining licenses, payment to local public officials, incurring Sign board expenses, payment of electricity expenses, legal fee to advocates, administrative and pertinent expenses related to vehicle repossession, etc.
    - b. The Company shall define the threshold value of expenses from time to time, employees shall provide a descriptive claim reimbursement report at the time of claiming the reimbursement of the expenses and submit request for obtaining approvals from the Head of Departments, if the value of such official expenses claimed by the employee exceeds the threshold limits employees shall submit the supporting documents, invoices, receipts and proof of payment on a mandatory basis. It is imperative that employees adhere to highest standards of integrity and transparency when claiming such reimbursements. This exception is to accommodate the unique nature of business activities and is not intended to circumvent the principles of the Policy. All claims made under this exception will remain subject to internal audit and review processes to ensure compliance with our ethical standards and legal obligations. The threshold amount for this exception will be periodically reviewed and may be adjusted in line with operational needs and regulatory developments.

## 8. IMPLEMENTATION

- Chief Compliance Officer
  - a. The Company shall, from time to time, designate an employee of adequate seniority, competence and independence as the Chief Compliance Officer who shall, in addition to his/her other obligations also ensure compliance with the provisions of this Policy.
  - b. The Chief Compliance Officer shall be vested with responsibility for oversight and implementation of this Policy, including the development and implementation of effective safeguards, practices and procedures to conform with this Policy. Such measures may include:
    - i. The establishment of processes to obtain third-party compliance representations, warranties, and certifications in transactions.
    - ii. Creation and maintenance of written policies and procedures which memorialize at a minimum
      - corporate commitment to compliance;
      - current organizational positions and responsibilities related to compliance;
      - regular and relevant on-going training and awareness sessions are made available to employees of the Company in relation to this Policy;
      - compliance determinations, internal reporting, policies regarding disciplinary action and company actions regarding anti-Corruption concerns consistent with record-keeping requirements under applicable law;
      - development and implementation of transaction specific due diligence requirements, internal audit and risk assessment procedures with the assistance of the other heads of department, chief financial officer, chief risk officer, etc. as may be necessary; and
      - development of other procedures necessary to ensure that this Policy is fully implemented and effective in assuring compliance with Anti-Bribery and Anti-Corruption Laws at all times.

- Board of Directors

The Board of Directors of the Company (“**Board**”) shall have oversight of governance and compliance with this ABAC Policy. Aggravated cases of breach of this Policy shall be escalated immediately to



the Management Committee. The Management Committee shall annually submit a summary report to the Board on breach of this Policy. Board will monitor the effectiveness and review the implementation of this Policy, considering its suitability, adequacy and effectiveness.

## **9. GUIDANCE AND REPORTING**

This Policy is intended to ensure that the Stakeholders are aware of relevant Anti-Bribery and Anti-Corruption Laws and regulations affecting the Company's business. The Anti-Bribery and Anti-Corruption Laws that can affect the Company's business are complex and subject to change over time. Employees of the Company should not self-advise on any matters of interpretation of these laws. Rather, employees of the Company are required to request guidance on questions of interpretation or application of such laws either through their immediate supervisor or by directly contacting the Chief Compliance Officer. The Chief Compliance Officer will be a resource for further guidance on this Policy and Anti-Bribery and Anti-Corruption Laws in general.

The Company expects all its Stakeholders to read, understand and comply with this Policy. Stakeholders are responsible for understanding and complying with applicable Anti-Bribery and Anti-Corruption Laws within the scope of their employment / engagement with the Company. Employees have an obligation to make clear to all consultants, agents, service providers etc. that they are required to comply with this Policy and termination of the relationship may be a result in the event of any violation.

A breach of this Policy is likely to cause IndoStar serious and perhaps irreparable damage as well as jeopardize the personal reputations and liberty of those involved.

The Company requires reporting of any incident of violation of this Policy or the applicable laws. Not reporting the instances of violations on timely basis potentially exposes the Company to legal action. All Stakeholders shall raise the concerns, if any, about the instances or suspicion of Bribery or Corruption at the earliest possible stage.

In addition, IndoStar employees, directors or Third Parties also may report related concerns, anonymously, as they may prefer,

- a) to IndoStar Hotline. The confidentiality of reported violations will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review and subject to applicable law. No retribution or retaliation will be taken against any person who has filed a report based on the reasonably good faith belief that a violation of the Policy has occurred or may in the future occur.

Contact information is provided below for our reporting hotline, which is managed by a third- party

and allows for anonymous reporting of suspected violations:

Hotline No.: 000 80005 02317

Website: [Indostar.ethicspoint.com](http://Indostar.ethicspoint.com)

- b) By a letter in a closed and secured envelope / email addressed to:
- a) the Vigilance and Ethics Officer ([whistleblower@indostarcapital.com](mailto:whistleblower@indostarcapital.com)); or
  - b) the Chief Executive Officer ([ksrinivasan@indostarcapital.com](mailto:ksrinivasan@indostarcapital.com)) for making Protected Disclosure against the Vigilance and Ethics Officer; or
  - c) the Chairman of the Audit Committee ([chairman\\_ac@indostarcapital.com](mailto:chairman_ac@indostarcapital.com)) in appropriate and exceptional circumstances.

It is the duty of Chief Compliance Officer to take all reasonable steps to protect the identity of the person(s), who has/have reported the violations and to safeguard such information, which comes across during the reporting/investigation process, to use such information only for the reasons it was supplied and not to share it with third parties, unless in compliance with applicable laws and regulations.

The complainant shall not face retribution or retaliation for any complaints made in good faith of actual or suspected violation of this Policy, the Company's Code of Conduct, laws, regulations or any other policy of the Company. However, any one deliberately making frivolous complaint or providing false information shall be subject to strict disciplinary action up to and including dismissal.

The Chief Compliance Officer shall maintain a detailed tracker of all the complaints received on different modes of communication. Please refer to the company's [Whistleblower Policy](#) for further details.

## **10. TRAINING AND COMMUNICATION**

Head of Departments of the Company are required to take actions necessary to distribute this Policy to the employees of the Company and inform the Stakeholders who report to them and/or who are engaged by them regarding their related compliance obligations. The Company's zero-tolerance approach to Bribery and Corruption shall be communicated to all Third Parties at the outset of the Company's business relationship with them and as appropriate thereafter.

It is the responsibility of each Stakeholder at all times to abide by all applicable laws and regulations. Lack of knowledge about applicable rules and regulations is never an excuse and each IndoStar Stakeholder must keep themselves updated with and act according to:

- the requirements in this Policy;
- all relevant local rules and legislation of the place where the IndoStar Stakeholder conducts business; and
- other business practices that may be applicable, such as trade associations' ethical codes and international conventions.

This Policy is to be made available on the Company's website and to all new employees of the Company at the time of joining. New hires should certify their understanding of the Company's Anti-Bribery and Anti-Corruption Policy, all employees are required to provide annual affirmations to the Policy.

It is the responsibility of the Chief Compliance Officer to provide relevant information/arrange for imparting of trainings to employees and to others as necessary on a regular basis.

Employee trainings and awareness sessions in relation to this Policy, obligations of employees of the Company, company procedures and measures should be imparted on periodic basis. Further, supplementary trainings shall be imparted to employees working in high-risk job roles or areas; employees who regularly interact with Government/Public Officials and Foreign Public Officials; such as those responsible for obtaining licenses and permits including facility management and liasioning. All employees who are assigned mandatory trainings pertaining to the Policy must complete it within the prescribed time limit, and strictly practice all guidelines stated in these trainings.

The following communication schedule should be adhered for internal communication:

No.	Communication	Frequency
1	Board / Compliance Officer communicates with employees to remind them of their responsibilities to act ethically, including reminder of the whistle-blower mechanism.	Annually
2	Employees and Directors review and certify Anti-Bribery and Anti-Corruption compliance, and, if not in compliance, appropriate remedial action is taken	Annually

3	Refresh Anti-Bribery training for individuals including post-training attestations of understanding.	Annually
4	Supplementary trainings to employees working in high-risk job-role	Semi-Annually

This Policy is an integral part of the Code of Conduct (COC) Policy and therefore, all Stakeholders confirming compliance with COC policy will be considered as confirming compliance with this Policy.

### **11. DISCIPLINARY ACTION FOR POLICY VIOLATIONS**

Violation of this Policy and/or violation of Anti-Bribery and Anti-Corruption Laws can result in administrative, civil and criminal investigations and prosecution that could lead to the imposition of severe penalties (including imprisonment and fines) on IndoStar, and any person/Stakeholder involved in related activities.

All IndoStar employees, directors are individually expected and responsible to do their part to ensure that the Company always complies with Anti-Bribery and Anti-Corruption Laws and safeguard the Company against related risks. Violation of this Policy and/or violation of Anti-Bribery and Anti-Corruption Laws can result in administrative, civil, and criminal proceedings on the Company and could significantly damage the Company's public image, reputation, business relationships and market position.

Failure to comply with this Policy or Anti-Bribery and Anti-Corruption Laws constitutes potential grounds for disciplinary action by the Company up to and including potential immediate suspension or termination of employment and, if warranted, legal proceedings.

The Chief Compliance Officer may also recommend if the violation is potentially criminal in nature and should be notified to the authorities. Depending on the nature and scale of default the Chief Compliance Officer may also recommend to the Board to commence civil and/or criminal proceedings against such person in order to enforce remedies available to IndoStar under applicable laws.

### **12. MONITORING, REVIEW AND ACCESSIBILITY OF POLICY**

This Policy will be reviewed and updated on an annual basis, or when there are any changes in the existing environment/ process/ regulations, whichever is earlier, with the approval of the Board. The Compliance function shall periodically ensure that the Policy is sustainable, adequate and effective by

suggesting any improvements identified and reviewing the implementation of this Policy.

Internal control systems and procedures shall be subject to regular audits by Compliance function to provide assurance that they are effective in countering Bribery and Corruption.

The Policy is accessible on IndoStar's website and at internal Company HRMS portal.

The Management Committee of the Company will be responsible to monitor, initiate and obtain relevant approvals for any changes/ revisions required to this Policy or any part thereof and submit the same to the Board for approval.

### **13. KEY CONTACTS**

All queries related to interpretation or implementation of this Policy or Anti-Bribery and Anti-Corruption Laws shall be addressed to the Chief Compliance Officer at [icf.compliance@indostarcapital.com](mailto:icf.compliance@indostarcapital.com).