

SK Finance Limited

Anti-bribery & Anti-corruption Policy

2022-23

Contents

1. Introduction	3
2. Purpose	3
3. Scope of the Policy	3
4. Definitions	4
5. Salient Features.....	5
6. Potential Risk Scenarios/ Warning Signals	6
7. What is Acceptable?	7
8. Responsibilities	7
a. Audit Committee / Board of Directors	7
b. Compliance Officer	7
9. Reporting of Concerns and Investigations	8
Investigation:	8
Corrective Action:	8
Disciplinary Action:	8
10. Penalties.....	9
11. Policy Severable	9
12. Amendments.....	9

1. Introduction

Anti-bribery & Anti-corruption Policy (“This policy”), is committed to act professionally, fairly and with integrity in all its business dealings and relationships wherever it operates and to implementing and enforcing adequate procedures to counter bribery and corruption. This includes compliance with all laws, domestic and foreign, prohibiting improper payments, gifts or inducements of any kind to or from any person, including private or public officials, customers and suppliers.

This Policy is made to outline guiding principles and adequate procedures to prevent any activity or conduct relating to bribery, facilitation payments, or corruption. It requires all the associates to recognize questionable transactions, behaviour or conduct, and to take steps to comply, record and follow the procedures set in place to deal with such behaviour or conduct.

2. Purpose

This Policy is designed to communicate SK Finance Limited (Formerly known as Ess Kay Fincorp Limited and hereinafter referred as “Company”) commitment to counter corruption and to ensure that all employees and third-party representatives fully understand the scope and application of these Anti-corruption Laws. This Policy describes what is meant by corruption, how it affects our business, and what we are doing to fight it. In particular, it shows how our policies translate into practical processes and procedures, and explains what needs to be done to comply with them.

Offering bribes as a way of doing business has been frowned upon for the last two decades. It is illegal around the world and each country has its own Anti-corruption Laws that have to be followed (all such laws are collectively hereinafter referred to as “Anti-corruption Laws”). For purposes of this Policy, Anti-corruption Laws apply to everyone and every party associated with the Company, no matter where in the world all are located. Effective compliance involves the active monitoring of all data and transactions, to ensure compliance with policies and quickly identify areas of potential non-compliance. The best defence to claims of bribery and corruption is to implement adequate procedures to show that due diligence was done to prevent the bribe.

The purpose of this policy is to:

- a. To set out our responsibilities to comply with laws against bribery and corruption; and
- b. To provide guidance on how to recognise and deal with bribery and corruption issues.

3. Scope of the Policy

This Policy has been formalized to conduct all of our business in an honest and ethical manner. The Company takes a zero tolerance approach to bribery and corruption and are committed to act professionally, fairly and with integrity in all our business dealings and relationships, wherever it operates and to implementing and enforcing effective systems to counter bribery. The Associates (as defined below) are prohibited from engaging in any bribery or potential bribery. This includes a prohibition against both direct bribery and indirect bribery, including payments through third parties.

This Policy applies to all individuals working for SK Finance Limited (the “Company”) at all levels and grades, including directors, senior executives, officers, employees (whether permanent, fixed term or temporary), consultants, contractors, trainees, seconded staff, casual workers, volunteers,

interns, agents, service providers or any other person associated with the Company in any manner whatsoever ("The Associates").

Bribery or corruption as defined in Section 4 of this policy or in any other nature whatsoever is not acceptable to the Company.

4. Definitions

a. Bribery:

Bribery includes the offer, promise/ intention, giving, demand or acceptance of an undue advantage as an inducement for an action which is illegal, unethical or a breach of trust. Bribes often involve payments (or promises of payments) but may also include anything of value - providing inappropriate gifts, hospitality and entertainment, inside information, or sexual or other favours; offering employment to a relative; underwriting travel expenses; charitable donation or social contribution; abuse of function; or other significant favours. Bribery includes advantages provided directly, as well as indirectly through an intermediary/third party. Bribery also includes any attempt to do any of the foregoing.

A bribe is an inducement, payment, reward or advantage offered, promised or provided to any person in order to gain any commercial, contractual, regulatory or personal advantage. It is illegal to directly or indirectly offer a bribe or receive a bribe. It is also a separate offence to bribe a government/ public official with the intention of influencing the public official in the performance of their public function, to obtain a business advantage.

Any action or practice evidencing the intention/ influencing to receive/ give bribes shall also be construed as an act of being involved in the act bribery.

b. Corruption:

Corruption includes wrongdoing on the part of an authority, or those in power, through means that are illegitimate, immoral, or incompatible with ethical standards. It is usually designed to obtain financial benefits or other personal gain. For example, bribes offered or promised in the form of money, a privilege, an object of value, an advantage to exert improper influence on decisions of an individual in his official capacity.

c. Gift, Hospitality and Entertainment:

A gift is anything of value and would encompass any gratuitous monetary or non-monetary benefit. It includes tangible items such as cash, precious metals and stones, jewellery, art, and any of their equivalents, and intangible items such as discounts, services, loans, favours, special privileges, advantages, benefits and rights that are not available to the general public.

Hospitality generally includes refreshments, meals, travel and accommodation. Entertainment generally includes vacation, trips, use of recreational facilities, ticket or pass for plays/concerts/sports events. Hospitality and entertainment may also qualify as a gift unless they fall within reasonable bounds of value and occurrence.

d. Public Official / Foreign Public Official:

A “Public Official” would include the following:

- i. any person holding a legislative, executive or administrative office of the government, or acting in the official capacity for or on behalf of a legislative, executive, or administrative office of the government, whether appointed or elected, whether permanent or temporary, whether paid or unpaid;
- ii. any person in the service or pay of the government or of a corporation established by or under a central, provincial or state statute, or an authority or a body owned or controlled or aided by the government or a government company or is remunerated by the government by fees or commission for the performance of any public duty;
- iii. any judge, including any person empowered by law to discharge, whether by himself/herself or as a member of any body of persons, any adjudicatory functions;
- iv. any person authorised by a court of justice to perform any duty, in connection with the administration of justice, including a liquidator, receiver or commissioner;
- v. any person who performs a public duty, including for a public agency or public enterprise, or provides a public service, as defined in the domestic law of the country and as applied in the pertinent area of law;
- vi. any elected or appointed officers or employees of public international or multilateral organizations, such as the United Nations; and
- vii. any other person who is considered as public official according to applicable laws and regulations.

A “**Foreign Public Official**” broadly includes the “Public Officials” mentioned above who are not under the domestic jurisdiction (country of operation of the Company). The definition of “Foreign Public Official” is subject to the definition prevalent in local regulation applicable.

e. Facilitation payment or kickbacks

“Facilitation Payments” are unofficial payments made to Public Officials in order to secure or expedite the performance/ non-performance of a routine or necessary action. They are sometimes referred to as 'speed' money or 'grease' payments or 'good-will money'. The payer of the facilitation payment usually already has a legal or other entitlement to the relevant action. “Kickbacks” are typically payments made in return for a business favour or advantage.

f. Third party

The term “third party” includes any individual or organization, who/which comes into contact with the Company or transacts with the Company, and also includes actual and potential clients, vendors, consultants, retainers, agents, advisors, distributors, business associates, partners (including academic institutions), contractors, suppliers or service providers who work for and on behalf of the Company.

5. Salient Features

The Company does not accept, pay and does not condone paying, accepting or receiving of bribes to/from anyone. Company Personnel are prohibited from giving/offering bribes or accepting/receiving bribes, facilitation payment or kickbacks, or consideration of any kind, whether at home or abroad, to/from any person or entity or public official (including but not limited to any customers or potential customers, government official, political party, candidate for political office or any intermediaries, such as agents, attorneys or consultants) in order to:

- Influence official acts or decisions of that person or entity;
- Obtain or retain business or a business advantage for, or direct business to, the Company; and/ or secure any improper advantage.

If the Associates are offered a bribe by a third party, or are asked to make a bribe, or suspect that may be asked to commit such a violation, or if believe that anyone is a victim of any form of unlawful activity, concerns shall be raised as set out in Clause 9.

Company Personnel are also prohibited from providing or receiving gifts, meals, entertainment or anything of value to any person or entity in connection with Company business unless it is provided or received in accordance with:

- This Policy,
- The Code of Conduct,
- the Company's Policy on Gifts and Entertainment

6. Potential Risk Scenarios/ Warning Signals

The following is a list of possible potential risk/warning signals that may arise during the course of employment with the Company and which may raise concerns under anti-bribery and anti-Corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only. If any of these red flags are encountered while working for the Company, the associates shall have responsibility to raise a "Red Flag" to the Reporting Manager or the Compliance Manager.

1. Suspect or become aware that a Third Party engages in, or has been accused of engaging in, improper business practices;
2. Learn that a Third Party has a reputation for paying bribes or requiring that bribes are paid to them or has a reputation for having a "special relationship";
3. A Third Party insists on receiving a commission or fee payment before committing to sign up to a contract with the Company, or carrying out a government function or process for us;
4. A Third Party requests payment in cash and/or refuses to sign a formal contract or to provide an invoice or receipt for a payment made;
5. A Third Party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
6. A Third Party requests an unexpected additional fee or commission to "facilitate" a service or a Contract;
7. A Third Party demands lavish entertainment, hospitality or gifts before commencing or continuing contractual negotiations or provision of services;
8. A Third Party requests that a side payment be made to "overlook" potential legal violations;
9. A Third Party requests that you provide employment or some other advantage to a friend or relative;
10. Receive an invoice from a Third Party that appears to be nonstandard or customized;
11. A Third Party insists on the use of side letters (i.e. agreed terms in a letter or other document outside the written contract between the parties) or refuses to put the agreed terms in a written contract;

12. Notice that the associates are invoiced for a commission or fee payment that appears large given the services stated to have been provided;
13. Third Party requests/ requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
14. Offered an unusually generous gift or offered lavish hospitality by a Third Party;
15. Become aware that a colleague, other employee or contractor working on our behalf requests a payment from a Third Party (such as a client) to expedite an activity (such as an inspection or paperwork) or to “overlook” potential legal or regulatory violations.

7. What is Acceptable?

Anything mentioned in Gift & Entertainment Policy as allowed gift and hospitality in ordinary course of Business without affecting red flags mentioned herein above are acceptable.

8. Responsibilities

a. Audit Committee / Board of Directors

- i. The Audit Committee/ Board of Directors of the Company (“Board”) shall have oversight of governance and compliance with this Policy. Aggravated cases of breach of this Policy shall be escalated immediately to the Audit Committee or Board.
- ii. The Audit Committee will monitor the effectiveness and review the implementation of this Policy, considering its suitability, adequacy and effectiveness.

b. Compliance Officer

- i. The Company shall, from time to time, designate an employee of adequate seniority, competence and independence as the Compliance Officer to ensure compliance with the provisions of this Policy and the same shall be notified to the Associates.
- ii. Compliance Officer should ensure that regular and relevant on-going training and awareness sessions are made available to the Associates in relation to this Policy.
- iii. All reports, complaints, doubts or concerns in relation to this Policy shall be raised to the Compliance Officer. Any query, concerns or complaint received by any Associate including Company Ethics Counsellor regarding bribery or corruption issue should be promptly reported to the Compliance Officer.
- iv. Every query or concern raised in relation to any suspected violation of this Policy shall be reviewed/investigated by the Compliance Officer. Any action required to be undertaken shall be taken by the Compliance Officer in accordance with this Policy.

9. Reporting of Concerns and Investigations

1. The Associates are encouraged to raise concerns about any bribery issue or any case of corrupt practice or any breach of this Policy or applicable Anti-Bribery and Anti- Corruption laws at the earliest. If they are unsure whether a particular act constitutes bribery or corruption or if they have any other queries, these should be raised with their respective reporting manager and the Compliance Officer. Concerns/queries should be addressed to the Compliance Officer as mentioned below:

Name	Mail ID	Address
Anubha Khandelwal	anubha.khandelwal@skfin.in	G 1-2, New Market, Khasa Kothi Jaipur -302001 (Rajasthan)

2. The Associates may also raise concerns or queries to the company's 'Whistle-blower Policy'. Our Company's 'Whistle Blower Policy' is available on the company's website www.skfin.in
3. No personnel who in good faith, reports a violation of this Policy shall suffer any harassment, retaliation or adverse employment consequences.
4. For the reported concern(s) of potential or actual violation(s) of this policy, the Compliance Officer shall take appropriate steps such as:

Investigation:

- i. Enquiry or investigation of the reported concern for potential violation of this Policy shall be conducted by or with oversight of the Compliance Officer. The objective of such enquiry or investigation would be to determine the facts.
- ii. Each Associate shall co-operate with the investigation team and promptly respond to all requests for information.
- iii. All investigations shall follow principles of natural justice and shall ensure that the relevant Associates are provided with an opportunity to make their case before the investigation team.
- iv. Experts with the right knowledge and skills may be appointed to investigate the reported concern.
- v. The investigation process and the report should be kept confidential and shall be shared only with such persons who have a "need to know" under applicable law or Company's standard investigation process.

Corrective Action:

If necessary, corrective actions shall be prescribed or suggested to appropriate managers, officers and employees for implementation.

Disciplinary Action:

The Compliance Officer after considering inputs from relevant stakeholders shall recommend appropriate disciplinary action, including but not limited to suspension and termination of service of such a defaulting associate. The Compliance Officer shall also recommend if the violation is potentially

criminal in nature and should be notified to the relevant authorities under applicable law. In the event of criminal or regulatory proceedings, the Associate shall co-operate with relevant authorities. Depending on the nature and scale of the criminal breach conducted/ involved in, the Compliance Officer may also recommend to the Board to commence civil and/or criminal proceedings against such Associate in order to enforce remedies available to the Company under applicable laws.

Disciplinary Committee

The Company shall submit all such cases to the Disciplinary Committee who shall review the findings of all the cases where instances of bribery/ corruption as defined above are involved. The Committee shall discuss and conclude on the action to be taken in accordance with this policy.

The disciplinary Committee shall comprise of the following members:

- Chief Financial Officer
- Chief Risk Officer
- Compliance Officer, as per this policy
- Head of HR

10. Penalties

a. Any violation of this Policy by the associate will be regarded as a serious matter and shall result in disciplinary action, including but not limited to termination of employment, consistent with applicable law and the employee's terms of employment.

b. Bribery is a criminal offense. The Associates will be accountable whether they pay a bribe themselves or if such Associates authorizes, assists, or conspires with someone else in contravention to the anti-bribery and anti-corruption laws. Punishments for violating the law against an individual includes imprisonment, probation and monetary fines (which will not be paid by the Company) as prescribed under PCA (Prevention of Corruption Act) and other Anti-Bribery and Anti-Corruption Laws.

11. Policy Severable

This policy constitutes the entire document in relation to its subject matter. In the event that any term, condition or provision of this policy being held to be a violation of any applicable law, statute or regulation, the same shall be severable from the rest of this policy and shall be of no force and effect, and this policy shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Policy.

12. Amendments

Any change in the policy shall be approved by the Board of Directors of the Company. Any amendment in the regulatory guidelines shall prevail and necessary amendment shall be carried out at a subsequent date in the policy. The Board of Directors of the Company shall have the right to withdraw and / or amend any part of this policy or the entire policy, at any time, as it deems fit, or from time to time, subject to applicable law in force.