

LPG PROCUREMENT POLICY

(Updated as of [08.08.2024])

CONFIDENCE PETROLEUM INDIA LIMITED

701, Shivai Plaza Premises CHS Ltd., Plot No. 79, Marol Industrial Estate, Andheri (E), Mumbai,
Maharashtra, India

1. DOCUMENT INFORMATION

1.1. Revision History

S. No.	Date	Details
1.	[●]	Creation and adoption of policy

1.2. Effective Date

- (a) This policy will become effective the day on which the policy is approved and adopted by the Board of Directors of the Company (the “**Board**”).
- (b) Any amendment to this policy will become effective from the day such amendment is approved by the Board.

2. PURPOSE

2.1. Objective

- (a) The objective of this policy is to establish a robust framework for procurement of liquified petroleum gas (LPG) from domestic and international suppliers (including direct or indirect import from such suppliers) by the Company in a timely, ethical and uniform manner.
- (b) This policy aims to acquaint the relevant personnel with the principles, processes and practices that will need to be followed in relation to procurement of LPG.
- (c) The Company has a zero-tolerance policy on corruption and sanctions. The Company expects its personnel and suppliers to commit to the highest level of transparency, business ethics and integrity and ensure compliance with Anti-Corruption Laws and Sanctions in relation to all activities relating to procurement of LPG as if all such laws apply directly to the Company and its group. For the purposes of this policy, Anti-Corruption Laws and Sanctions have the meaning set forth in **Annexure A**.

2.2. Applicability

This policy is applicable to all Company and Group personnel involved in procurement of LPG, whether or not such persons are technically members of the Company’s procurement department. It is the responsibility of all such personnel to ensure that the requirements of this policy are strictly adhered to in letter and in spirit.

For the purposes of this policy, “**Group**” shall mean the Company and its subsidiaries and any other entity which is directly or indirectly Controlling, Controlled by or under common Control with the Company.

In addition, “**Control**” shall mean:

- (i) owning or controlling (directly or indirectly) more than 50% (fifty percent) of the voting

share capital or partnership interest of the relevant entity; or

- (ii) being able to direct the casting of more than 50% (fifty percent) of the votes exercisable at meetings of shareholders or similar governing body of the relevant person on all, or substantially all, matters; or
- (iii) having the right to appoint or remove directors or designated partners of the relevant entity which hold a majority of the voting rights at meetings of the board or similar governing body on all, or substantially all, matters; or
- (iv) having the power to direct the management or policies of an entity (whether through ownership of equity interest or partnership or other ownership interests or by contract); and the term “Controlled” shall be construed accordingly.

3. DEPARTMENT STRUCTURE

- 3.1. The Head of Department of Procurement (“**HOD**”) will supervise the procurement department and will be responsible for administering the requirements of this policy.
- 3.2. The HOD will be assisted by the Compliance Officer who will ensure that the requirements of this policy are strictly adhered to.
- 3.3. The Compliance Officer will be required to obtain KYC forms and documents from proposed suppliers, ensure completion of verification of KYC forms and documents from relevant departments, prepare and timely update reports and supplier lists, maintain records, conduct training sessions for relevant personnel and communicate legal, Sanctions and other risks in relation to any procurement.

4. PROCUREMENT PROCEDURE

A. KYC

- 4.1. Each proposed supplier (whether domestic or international, including a Group entity, and whether proposing to deliver on a term or spot basis) which the Company intends to engage with for procurement of LPG will be subject to a KYC process set forth in this policy.
- 4.2. Each proposed supplier will be required to submit a duly completed and signed KYC form to the Company in the form set forth in **Annexure B**, together with copies of supporting documents listed in **Annexure B**. The Compliance Officer will be responsible for ensuring that each proposed supplier has submitted the KYC form and the supporting documents to the Company.
- 4.3. Upon receipt of a completed and signed KYC form and the supporting documents, the Compliance Officer will circulate the KYC form and the supporting documents to the legal department for verification.
- 4.4. The legal department will review the KYC form and the supporting documents and conduct a full background check on the supplier, its affiliates, associates and directors with specific focus on Sanctions related compliances.

- 4.5. The Company may also use any third-party service provider from the list of vendors approved by the Board to scrutinize the KYC form and supporting documents and/or undertake due diligence checks on the proposed supplier, its affiliates, associates and directors and the vessel(s) proposed to be used by the supplier for transport of LPG.
- 4.6. Upon completion of verification, the legal department will provide its feedback to the Compliance Officer stating whether or not the proposed supplier successfully cleared the KYC requirements provided in this policy, including in relation to the Sanctions framework.
- 4.7. Upon receipt of feedback, the Compliance Officer will assess and include the name of the proposed supplier in either the Approved Suppliers List in the form set forth in Annexure C (if full KYC is complied with and there are no adverse remarks, including relating to Sanctions) or the Rejected Suppliers List in the form set forth in Annexure C (if full KYC is not complied with or there are any adverse remarks, including relating to Sanctions).
- 4.8. The Compliance Officer will communicate all legal, Sanctions and other risks in relation to all proposed suppliers to the HOD.
- 4.9. The Compliance Officer will be required to maintain records of all KYC forms, documents and risk-assessment reports.

B. FAST-TRACK SUPPLIER KYC

- 4.10. If the Company has an urgent requirement of LPG and a proposed supplier who is not on the Approved Suppliers List has agreed to deliver LPG on spot basis (and not on term basis) and has communicated its inability to provide all information and documents required as part of KYC in a timely manner, the Managing Director & Chief Executive Officer (“MD & CEO”) may consider following a fast-track KYC process on an ad hoc basis.
- 4.11. The MD & CEO, with the assistance of the HOD and the Compliance Officer, will ensure that the fast-track KYC process is undertaken in the manner specified below:
 - (a) the proposed supplier will be required to submit the KYC form and supporting documents at least to the extent required to enable the legal department to conduct a reasonable assessment and background check on the proposed supplier, including in relation to Sanctions;
 - (b) based on scrutiny of such information and documents, the legal department will be required to confirm to the HOD and the Compliance Officer that no legal, Sanctions or other risks have been determined;
 - (c) after completion of fast-track KYC process, the Compliance Officer will be required to satisfy itself that the proposed supplier will provide all information and documents required by the Company to complete the full KYC process in a timely manner; and

- (d) the Compliance Officer will be required to satisfy itself that the proposed supplier will agree to be bound by termination of engagement in the event the full KYC determines legal, Sanctions or other risks.
- 4.12. After completion of fast-track KYC process, the Compliance Officer will need to ensure that a full KYC of the proposed supplier is undertaken in a timely manner.
- 4.13. The Compliance Officer will be required to maintain records of all fast-track KYC forms, documents and risk-assessment reports.
- 4.14. The Company will prioritize engaging the suppliers included in the Approved Suppliers List and trades based on term delivery.
- 4.15. The KYC process contemplated in section A and section B of paragraph 4 shall not apply in the event the Company proposes to procure LPG (term based or spot based) from any Indian public sector undertaking or domestic entities forming part of Reliance group or Adani group (“**Excluded Entities**”). The Company shall review the list of Excluded Entities at least once every financial quarter and all changes (additions or deletions) to the list of Excluded Entities shall require prior approval of the Board.

C. GENERAL TERMS AND CONDITIONS

- 4.16. The Company will enter into standard form sale and purchase agreement in relation to procurement of LPG (term based or spot based) with suppliers that agree to be bound by the General Terms and Conditions of the Company set forth in **Annexure D** (“GTCs”).
- 4.17. Each sale and purchase agreement in relation to procurement of LPG (term based or spot based) must include provisions relating to Sanctions and anti-bribery and anti-corruption which are set forth in **Annexure E**.
- 4.18. In the event the Company proposes to procure LPG (term based or spot based) from any domestic entity and such domestic entity refuses to enter into the Company’s standard form sale and purchase agreement despite the Company’s best efforts, then the Company shall ensure that, in addition to the GTCs, the purchase order(s) issued to such domestic entity include the provisions relating to Sanctions, anti-bribery and anti-corruption which are set forth in **Annexure E**, and such purchase order(s) shall, and the Company shall ensure that such purchase order(s) shall, form an integral part of the sale and purchase agreement(s) executed with such domestic entity.
- 4.19. It is expected that no deviation from the GTCs will be entertained unless approved in writing by the MD & CEO, provided that no deviation shall be entertained on the Sanctions and anti-bribery and anti-corruption related provisions and remedies.

D. OTHER REQUIREMENTS

- 4.20. A supplier who is part of the Rejected Suppliers List will be included in the Approved Suppliers List only pursuant to a fresh full KYC process and due diligence being undertaken in accordance with this policy and by written approval of the MD & CEO.

- 4.21. All existing suppliers of the Company will be subject to the full KYC process in accordance with this policy. The Company will immediately terminate its engagement with any existing supplier if any material risk or non-compliance in relation to Sanctions is identified.
- 4.22. The Company will include assessment of compliance with this policy within the scope of its internal audit. All annual internal audit reports will provide a statement in relation to the status of compliance with this policy.

5. MONITORING AND REVIEW

A. DAILY VESSEL VOYAGE REPORTS

- 5.1. The Company may engage third party vendors to track vessels of the suppliers and obtain daily reports on the activities and position of the vessels. The report will be circulated daily to the Compliance Officer for record-keeping, risk-assessment and audit purposes.
- 5.2. In the event any suspicious activity is noticed, including by any director or officer of the Company, the Compliance Officer will need to ascertain whether the vessel may be carrying any Sanctioned cargo and in case of any risk identified relating to Sanctions, all the directors of the Company shall be notified of such identified risk(s). All relevant information in relation to the concerned supplier, vessel and cargo will be presented to any director of the Company who has requested for such information within three days, including the sale and purchase agreement that has been executed in relation to the trade and the bills of lading or report logs in relation to the vessel.
- 5.3. The Compliance Officer will be required to maintain a list of restricted vessels that have engaged in transportation of Sanctioned cargo and vessels that have visited Sanctioned areas.
- 5.4. The Compliance Officer will also be required to maintain complete records of daily vessel voyage reports and suspicious activities and any communication with such vessel, supplier or operator.

B. QUARTERLY REPORTS

- 5.5. The Compliance Officer will prepare a quarterly compliance report of all activities relating to procurement of LPG for each quarter. The report will include the following in relation to each procurement transaction:
 - (a) category of purchase (domestic or international; spot or term basis);
 - (b) details of origin, supplier, price of the cargo, time of delivery, quantity of each purchase and details of persons in charge at the supplier-level and the operator-level (of the vessel);
 - (c) whether the daily vessel voyage report was prepared; and
 - (d) details of all legal, Sanctions and other risks identified and the manner in which such issues were resolved.

- 5.6. The quarterly reports will be presented to the Board and the Audit Committee at the end of each quarter.

C. RECORD KEEPING

- 5.7. The Compliance Officer will be responsible for maintaining up to date records of all information and documents in relation to procurement of LPG, including the following:

- (a) Approved Suppliers List and Rejected Suppliers List;
- (b) KYC forms and supporting documents;
- (c) executed sale and purchase agreements;
- (d) quarterly reports;
- (e) annual internal audit reports;
- (f) daily vessel reports; and
- (g) all risk-assessment reports and findings.

- 5.8. All information and documents required to be maintained by the HOD, the Compliance Officer or the legal department and information and reports obtained from third party vendors under this policy will be accessible to all the directors of the Company upon request to the Compliance Officer. The Compliance Officer will make available all such information and documents sought by a director of the Company, including the audit trail in relation to each trade. Any director of the Company may at any time seek a confirmation from the Compliance Officer whether the records are up to date.

D. ANNUAL REVIEW

- 5.9. The Compliance Officer will be required to annually review the Approved Suppliers List and Rejected Suppliers List.
- 5.10. Notwithstanding anything in paragraph 5.9 above, in the event a supplier has engaged in a Sanctioned activity, the Compliance Officer will be required to immediately remove the name of such supplier from the Approved Suppliers List and include such name in the Rejected Suppliers List and terminate all engagement with such supplier.

6. TRAINING

- 6.1. The HOD, with the assistance of the Compliance Officer, will organize periodic training sessions for relevant personnel relating to implementation of this policy, including the procurement department and legal team. Such training will focus on risk identification and reporting.

- 6.2. The HOD and the Compliance Officer will be required to apprise all relevant personnel of this policy to ensure that LPG trades are undertaken in accordance with this policy and in compliance with the Sanctions framework and Anti-Corruption Laws.

ANNEXURE A

For the purposes of this policy,

Anti-Corruption Laws mean the applicable anti-bribery, anti-corruption, and anti-money laundering laws, rules, regulations, decrees and/or official governmental orders of the Republic of Singapore, the United Kingdom, the European Union, the Republic of India and the United States of America including the (Indian) Prevention of Corruption Act, 1988, the relevant provisions of the Indian Penal Code, 1860 and the (Indian) Prevention of Money Laundering Act, 2002, Singapore Prevention of Corruption Act (Cap. 241), the Singapore Penal Code (Cap. 224), the U.S. Foreign Corrupt Practices Act, the UK Bribery Act as well as any other applicable legislation implementing either the United Nations Convention Against Corruption or the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions; and

Sanctions mean any economic or financial sanctions, regulations, embargoes, freezing provisions, prohibitions or equivalent restrictive measures relating to trading, doing business, investment, exporting, financing or making assets available (or other activities similar to or connected with any of the foregoing):

- (a) imposed, administered, enforced or enacted from time to time by a government body, or inter-governmental body or organization or other relevant sanctions authority, including those imposed by the European Union, the Republic of India, the United States of America, the United Kingdom, the United Nations or its Security Council, the jurisdiction of incorporation of any party or the respective governmental institutions and agencies of any of the foregoing, including, without limitation, the Office of Foreign Assets Control of the US Department of Treasury (“**OFAC**”); or
- (b) under the United States Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010 as it applies to non-US persons; or
- (c) in respect of (i) a “national” of any “designated foreign country”, within the meaning of the Foreign Assets Control Regulations or the Cuban Asset Control Regulations of the United States Department of the Treasury, 31 C.F.R., Subtitle B, Chapter V, as amended, or (ii) a “specially designated national” listed by OFAC or any regulations or rulings issued thereunder; or
- (d) otherwise imposed by any law or regulation or an executive order issued by the President of the United States of America (an “Executive Order”) by which any party is bound or, as regards a regulation, compliance with which is reasonable in the ordinary course of business of any party, including without limitation laws or regulations or Executive Orders restricting loans to, investments in, or the export of assets to, foreign countries or entities doing business there; or
- (e) imposed by applicable laws, statutes, rules and regulations in India, including the Foreign Trade (Development and Regulation) Act, 1992, Foreign Trade Policy and the Unlawful Activities Prevention Act, 1967, and any orders of the Ministry of Home Affairs of the Government of India issued thereunder, each as amended.

**ANNEXURE B
KYC FORM**

A. Know Your Customer

Sl. No.	Details	Responses
1.	Full legal name (the “Company”)	
2.	Trading name (if different from above)	
3.	Registered Address	
4.	Operational address (if different from above)	
5.	Country of Incorporation	
6.	Date of Incorporation	
7.	Company Registration Number	
8.	GST Registration Number	
9.	Website	
10.	Contact Number	
11.	Brief Description of the business activity	
12.	Key Contact Persons: <div style="margin-left: 40px;">(i) Name: Email: Contact Number:</div> <div style="margin-left: 40px;">(ii) Name: Email: Contact Number:</div>	
13.	IMO Identification Number of the proposed vessel to be used for transportation	

B. Shareholder Details

1. If the Company is a state-owned entity, please provide the information below. If otherwise, please mention N.A.

Controlled by Government of:	Shareholding% in the Company

2. If the Company is a publicly-traded entity, or a related entity of a publicly-traded entity, please provide the information below. If otherwise, please mention N.A.

Name of publicly-traded entity	Country of Incorporation	Shares traded on/Stock Exchange Information	Shareholding pattern of the Company

3. Details of Ultimate Beneficial Owners – any individuals who owns or controls, directly or indirectly, more than 20% of the shares or voting rights

Name	Nationality	Passport Number/National Identity Number	Shareholding% in the Company

4. Details of Directors of the Company

Name	Nationality	Passport Number/National Identity Number	Position on the Board

C. Questionnaire

1. Please confirm if the Company has a compliance program, policy or code of conduct covering the following matters:

Ethical Behaviour: Yes/No

Anti-Bribery & Anti-Corruption: Yes/No

Anti-Money Laundering: Yes/No

Conflict of Interest: Yes/No

Market Abuse/Inside Trading (if applicable): Yes/No

Sanctions: Yes/No

2. If the answer is yes to any of the below questions, please provide further information and attach any relevant supporting documents.

(A) Is any owner, controlling or significant shareholder (including ultimate beneficial owner), director, officer, senior management level employee of the Company (hereinafter, a “Key Personnel”):

- (i) an officer or employee of a government, department (whether executive, legislative, judicial or administrative), agency, or instrumentality thereof, including a regional governmental body;
- (ii) an officer or employee of a government-owned or controlled entity;
- (iii) an officer or employee of a public international organization;
- (iv) a person acting in an official capacity for or on behalf of such government, department, agency, instrumentality, or a public international organization;
- (v) a candidate for political or government office or appointee for such officer; or

(vi) an officer or employee of a political party?

Yes No

(B) Has the Company or any Key Personnel ever been:

(i) formally charged by any authority for any financial crime, including but not limited to fraud, bribery, corruption, money laundering or terrorism financing;

(ii) convicted by a competent judicial authority for any financial crime;

(iii) the subject of any blocking, seizure or forfeiture order or judgment based on any alleged violation of any money laundering or terrorism laws or for violating any anti-money laundering or anti-terrorism laws;

(iv) investigated by any authority in relation to any transactions involving the receipt, transfer, transportation, retention, use, structuring, diverting, or hiding the proceeds of any criminal activity whatsoever, including drug trafficking, fraud and bribery of a public official or any other personnel or organization; or

(v) investigated by any authority for any transaction involving the financing or supporting or giving aid or comfort to any terrorist person, activity, or organization?

Yes No

3. Is the Company or any Key Personnel subject to, or have the Company or any Key Personnel in the past been subject to, any sanction or prohibition imposed by any state, supranational or international governmental organization, including but not limited to those imposed by the Government of India, the United States of America, the European Union or the United Nations (the “Sanctions”).

Yes No

4. Does the Company or any Key Personnel have any business dealings with entities that are subject to, or have in the past been subject to, any Sanctions?

Yes No

D. Documents to be furnished

1. Corporate Documents: Certificate of Incorporation or Registration, Articles of Association and/or Memorandum of Association or comparable constitutional documents and certified true copy of corporate authorization for signing and delivery of this KYC form.

2. Shareholding and Group Structure Chart: Ownership structure of the Company, setting out shareholders holding 20% or more, up to and including the ultimate beneficial owner(s) (i.e.,

any individual(s) who owns or controls directly or indirectly more than 20% of the shares and/or the voting rights of the Company). This should be certified by a director, qualified accountant or lawyer, or a public notary.

3. Identity Documents: Certified copies of identity document for directors and ultimate beneficial owners (e.g., passport, national identity cards).
4. Financial Statements: Past 3 years' audited financial statements.
5. Banking Details

A list of main trade finance banks and bank account details on Company's letterhead signed by an authorized signatory.

E. Undertaking

I confirm and undertake on behalf of the Company that the product traded with Confidence Petroleum India Limited ("CPIL") will not be sourced from any country/sources under international sanctions or prohibited by the Government of India, the United States of America, the European Union or the United Nations. I further confirm on behalf of the Company that the title of the product supplied/sold to CPIL will be clear and free from all encumbrances and that the Company will be solely responsible in respect of breach of these conditions. In case of breach of any sanctions or any other conditions, the Company will bear all costs and consequences, losses, penalties etc., arising on account of supply from any prohibited country/sources with no liability whatsoever on CPIL.

F. Certification and Authorization

I hereby certify for and on behalf of the Company that the information and documents provided herein are true, complete and accurate.

By completing and signing this questionnaire as an authorized representative of the Company, I authorize representatives from CPIL to contact the Company and its personnel and the traders and bankers of the Company to verify the information contained in this form.

Place:

Date:

Signature

Name:

Designation:
Seal:

**ANNEXURE C
SUPPLIERS LIST**

A. APPROVED SUPPLIERS LIST

S. No.	Name of the Entity	Origin	Point of Contact	Date of Agreement	Whether Presently Engaged or Not

B. REJECTED SUPPLIERS LIST

S. No.	Name of the Entity	Origin	Point of Contact	Reason For Rejection of Proposal

ANNEXURE D
GENERAL TERMS AND CONDITIONS

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ANNEXURE E
SANCTIONS, ANTI-BRIBERY AND ANTI-CORRUPTION PROVISIONS

Sanctions

- A. It is agreed that all activities contemplated by the parties pursuant to this contract will be performed in conformity with and shall not be prohibited by Sanctions and/or applicable laws.

Notwithstanding any other provision of this clause or any other clause or provision to the contrary in this contract, neither party shall be required to do anything under this contract which constitutes a violation of, or would be in contravention of, or would expose it to the risk of designation pursuant to any sanction applicable to it.

- B. If, at any time during the term of this contract, any laws are changed or reinstated, new laws become effective, Sanctions or other trade restrictions are imposed or interpreted, or other Sanctions-related circumstances exist, which would materially affect:
1. directly or indirectly seller's performance of this contract (including but not limited to its ability to make delivery or receive any payments as may be required in the performance of this contract or to insure or transport the goods to be delivered by seller); or
 2. export from the country of intended origin or import into the country of intended destination,
- then notwithstanding any clause or provision to the contrary in this contract, seller may, by written notice to buyer, terminate this contract without any further obligation or liability by either party, save for any accrued rights and remedies.

“Sanctions” shall have the meaning set out in **Annexure A**.

Anti-Bribery and Anti-Corruption

- A. Seller and buyer respectively warrant and undertake to the other that in connection with this agreement:
1. it has implemented adequate internal procedures designed to ensure it shall not authorize the giving or offering of any financial or other advantage with the intention of inducing or rewarding an individual or entity to improperly perform an activity undertaken in the course of an individual's employment or connected to an entity's business activities or that is otherwise in breach of any Anti-Corruption Laws (the “**Anti-corruption Controls**”); and
 2. it has not authorized and it will not authorise, in connection with the performance of this agreement, any financial or other advantage to or for the benefit of any public official, civil servant, political party, political party official, candidate for office, or any other public or private individual or entity where such authorisation would violate the Anti-corruption Controls.

“Anti-Corruption Laws” shall have the meaning set out in **Annexure A**.

- B. In the event of any breach of the warranties and undertakings in clauses A(1) and A(2), the non-breaching party may terminate this agreement with immediate effect upon written notice to the other party. This shall be the sole remedy available for a breach of the warranties and undertakings in clauses A(1) and A(2).