

Conflict of Interest with respect to Third Party Service Providers

A potential conflict of interest may arise when a third-party service provider's work is influenced, or appears to be influenced, by a personal interest or association with the Client Companies, particularly in relation to listed non-convertible debentures.

Third-party service providers engaged by PNB Investment Services Limited (PNBISL) are expected to avoid all situations that could lead to, or may be perceived as leading to, a loss of independence or objectivity in the performance of their duties.

It is essential that independence and objectivity are preserved at all times to ensure that the integrity, reliability, and impartiality of the work and opinions delivered to PNBISL remain uncompromised by any potential or actual conflict of interest.

Definitions

(i) Client Company/ies

"Client company/ies" shall mean any company to which **PNB Investment Services Limited (PNBISL)** provides **trusteeship services** in respect of **listed debt securities**, including but not limited to **listed non-convertible debentures**.

(ii) Conflict of Interest

"Conflict of interest" means any situation in which a **third-party service provider** or their **representative** has an **actual or potential interest** that may, in rendering their services to the client company(ies) and/or PNBISL:

- (a) **Influence** the objective performance of their obligations to the client company(ies) / PNBISL; or
- (b) **Prevent** the service provider or representative from rendering **unbiased and fair service** to the client company(ies) / PNBISL, or from **acting in the best interests** of the client company(ies) / PNBISL.

This includes, but is not limited to:

- (i) A **financial interest** in the client company(ies);
- (ii) An **ownership interest** in the client company(ies); and/or
- (iii) Any **continuing relationship**, or a **past relationship within the preceding three years**, with the client company(ies) prior to engagement by PNBISL.

(iii) Third-Party Service Providers

"Third-party service providers" shall include professionals and professional firms engaged by PNBISL for the purpose of conducting **due diligence** and related services, as per **SEBI Circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 03, 2020** and other applicable laws, including:

1. Chartered Accountants / Chartered Accountancy Firms
2. Company Secretary Firms
3. Law Firms
4. Registered Valuer Firms
5. Third-Party Constituted Attorneys
6. Vendors

1. Obligations of Third-Party Service Providers / Employees of PNBISL

In accordance with Chapter XVI and Annex-XIVA of Chapter XIV of the Master Circular for Debenture Trustees (SEBI/HO/DDHS-PoD3/P/CIR/2024/46, dated May 16, 2024), third-party service providers and employees of PNBISL shall strictly adhere to the following obligations:

◆ Regulatory Framework

- Chapter XVI outlines General Guidelines for managing conflicts of interest by Debenture Trustees and associated persons.
- Annex-XIVA, Clause 2.2, stipulates that adequate systems must be in place to avoid potential conflicts of interest between the Debenture Trustee and third-party service providers.

◆ Disclosure Requirements

Third-party service providers or their representatives shall, in writing and at the earliest reasonable opportunity:

1. Disclose to the Compliance Officer of PNBISL:

- Any actual, potential, or perceived conflict of interest.
- The nature of any relationship or arrangement with a client company that gives rise to a conflict.
- Full details of the client company(ies)/customer(s) to allow the Compliance Officer to assess the exact nature and extent of the conflict.

2. Inform the Client Company/Customer:

- Clearly disclose the existence of the conflict of interest.
- Explain the potential impact and how it may be addressed or mitigated.

3. Submit Declaration:

- A declaration on conflict of interest must be provided at the time of engagement, as per Annexure-A of this policy.

◆ Client Confidentiality

- All third-party service providers and PNBISL employees shall strictly maintain the confidentiality of all documents, data, and information shared with them in the course of their engagement.
- Providers shall not engage in any activity or transaction that may lead to personal or commercial advantage from access to such confidential information.

◆ Restrictions on Future Engagements

- Third-party service providers shall not enter into any business relationship with client companies/customers of PNBISL for whom they have rendered services, for a minimum period of six (6) months after the expiry or termination of their engagement with PNBISL.
- In exceptional cases where such engagement is proposed, prior written approval from PNBISL is mandatory.

2. Effective Date

This Conflict of Interest Policy supersedes and replaces any previous policies on the subject and shall be effective immediately upon approval by the Board of Directors of PNBISL.

3. Review of the Policy

- This Policy shall be reviewed annually by the Board, or earlier if required due to:
 - Changes in regulatory/statutory guidelines,
 - Issuance of new SEBI circulars, notifications, or clarifications.
- In case of any inconsistency between this policy and applicable regulatory updates, the provisions of the regulatory authorities shall prevail.

Annexure-A
Declaration on Conflict of Interest
(To be submitted by Third-Party Service Providers at the time of engagement)

We, the undersigned, hereby declare as follows:

1. We have read and fully understood the Conflict of Interest Policy of PNB Investment Services Limited (PNBISL), including the definition of "Conflict of Interest" contained therein, namely:

"Conflict of interest" means any situation in which any third-party service provider, or a representative, has an actual or potential interest that may, in rendering their services to client company(ies) / PNBISL:

- (a) Influence the objective performance of their obligations to that client company(ies) / PNBISL; or
- (b) Prevent the third-party service provider or representative from rendering an unbiased and fair service to that client company(ies) / PNBISL, or from acting in the interests of that client company(ies) / PNBISL, including but not limited to –
- (i) A financial interest;
 - (ii) An ownership interest; and/or

(iii) Any continuing or past relationship (within a period of three years prior to engagement) with the client company(ies).*

2. **We warrant that no conflict of interest** (actual, potential, or perceived) exists on our part with respect to the services to be rendered under the terms of the engagement/service agreement with PNBISL.
3. **We agree to fully comply** with the Conflict of Interest Policy of PNBISL throughout the term of our engagement.
4. **We shall actively avoid** any situations that might cause, or be perceived to cause, a loss of independence or objectivity. We acknowledge that independence and objectivity are essential to ensure that PNBISL receives services and opinions free from influence or bias.
5. **In the event that any transaction or engagement arises during our term** that may give rise to a potential conflict of interest, we commit to:
 - Immediately disclose such potential conflict **in writing** to the **Compliance Officer of PNBISL**,
 - Provide all relevant details of the client company(ies) / customer(s), and
 - Describe the nature of the relationship or arrangement giving rise to the conflict, enabling the Compliance Officer to make an informed decision.
6. **We shall not enter into any business relationship** with the client companies/customers of PNBISL for which we have provided services during our engagement, for a **period of six (6) months** from the expiry or termination of our agreement with PNBISL, without obtaining **prior written approval** from PNBISL.

Signature:

Name of the officer/authorized representative/partner:

Name of the Company/Firm:

Date:

Place: