

CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT OF THE BHARAT HIGHWAYS INVIT

I. OBJECTIVE OF THE CODE

Regulation 26G of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended (the “**SEBI InvIT Regulations**”) read with Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**SEBI Listing Regulations**”) provides that the board of directors shall lay down a code of conduct for all members of board of directors and senior management of the board of directors of the investment manager and the code of conduct shall suitably incorporate the duties of independent directors as laid down in the Companies Act, 2013. GR Highways Investment Manager Private Limited (the “**Investment Manager**”) the investment manager to the Bharat Highways InvIT (“**InvIT**”) has formulated this code of conduct for the members of the board of directors of the Investment Manager (the “**IM Board**” and such directors, the “**Director(s)**”) and the members of the senior management of the Investment Manager (the “**Senior Management**”) pursuant to the SEBI Listing Regulations (the “**Code**”). The Code is aligned with the objectives of the InvIT and the Investment Manager and aims to enhance an ethical transparent process in managing the affairs of the InvIT and the Investment Manager.

The term ‘Senior Management’ shall mean the officers and personnel of the Investment Manager who are members of its core management team, excluding the IM Board, and shall include the chief executive officer, chief financial officer, compliance officer and all members of the management who are one level below the chief executive officer.

The terms not defined in the Code shall have the meaning as ascribed to such terms under the Companies Act 2013, the SEBI InvIT Regulations and the SEBI Listing Regulations.

All the Directors and members of the Senior Management shall sign the acknowledgment form attached as **Annexure I** and return the form to the Compliance Officer indicating that they have received, read and understood the provisions of the Code and agree to comply with the same. All the Directors and members of the Senior Management shall be required to affirm compliance with this Code on an annual basis, within 30 days of close of every financial year to the Compliance Officer, in the form attached as **Annexure II**.

II. APPLICABILITY

The Code is applicable to the IM Board and the Senior Management. If any Director/ member of the Senior Management have any questions regarding the provisions of the Code, he/ she shall consult the Compliance Officer in order to ensure compliance in true spirit.

The Independent Directors of the Investment Manager are subject to certain additional duties as laid down by the Companies Act and Schedule IV thereunder.

III. InvIT’S BELIEF SYSTEM

The Code attempts to set forth the guiding principles by which the Investment Manager and InvIT shall operate and conduct their daily business with their stakeholders, government and regulatory agencies, media, and anyone else with whom it is connected.

IV. GENERAL STANDARDS OF CONDUCT

The Investment Manager expects the following from the Directors and Senior Management:

1. Adherence to the highest standards of honest conduct, including proper and ethical procedures in dealing with actual or apparent conflicts of interest between personal and professional relationships;

2. True, fair, adequate and accurate disclosures in the periodic reports required to be filed with government and regulatory agencies;
3. Compliance with applicable laws, rules and regulations;
4. To address misuse or misapplication of the assets and resources of the InvIT and the Investment Manager;
5. The highest level of confidentiality and fair dealing within and outside the InvIT and the Investment Manager;
6. All the members of the IM Board and the Senior Management shall conduct their activities and fulfill their fiduciary obligations, on behalf of the Investment Manager and on their personal behalf, with honesty, integrity and fairness and in the best interest of the InvIT and the Investment Manager;
7. All the members of the IM Board and the Senior Management shall act on a fully informed basis, in good faith, responsibility, due diligence, care and competence, without allowing their independent judgment to be subordinated and in the best interest of the InvIT and the Investment Manager; and
8. All the members of the IM Board and the Senior Management shall exercise good judgment, to ensure the interests, safety and welfare of customers, employees, and other stakeholders and to maintain a cooperative, efficient, positive, harmonious and productive work environment and business organization.

V. A) CONFLICT OF INTEREST

Conflict of interest occurs when personal interest of any member of the IM Board or of the Senior Management interferes or appears to interfere in any way with the interests of the InvIT and/or the Investment Manager. Every member of the Board and Senior Management has a fiduciary duty towards the Investment Manager, its stakeholders and to each other. Although this duty does not prevent them from engaging in personal transactions and investments, it does demand that they avoid situations where a conflict of interest might occur or appear to occur. They are expected to perform their duties in a way that they do not conflict with the interests of the InvIT and/or the Investment Manager such as:

a. Employment / Outside Employment:

The members of the Senior Management are expected to devote their total attention to the business interests of the InvIT and the Investment Manager. They are prohibited from engaging in any activity that interferes with their performance or responsibilities to the InvIT or the Investment Manager or otherwise is in conflict with or prejudicial to the InvIT and/or the Investment Manager.

b. Business Interests:

If any member of the IM Board and Senior Management considers investing in securities issued by the suppliers or competitors of the InvIT or the Investment Manager, they should ensure that these investments do not compromise their responsibilities to the InvIT and/or the Investment Manager. Additionally, they should disclose to the Investment Manager any interest that they have which may conflict with the business of the InvIT and/or the Investment Manager.

c. Related Parties:

Any dealings with a related party must be devoid of any preferential treatment or favoritism and must be avoided altogether wherever it is likely to impact the decision in the matter in favour of such related party. In the case of any other transaction or situation giving rise to conflicts of interests, the Audit Committee of the IM Board should after due deliberations decide on its impact.

In case of any dealings with related parties, the transactions shall be in compliance with the provisions of the Companies Act, the SEBI InvIT Regulations and the SEBI Listing Regulations.

B) DISCLOSURE STANDARDS

The Investment Manager shall make true, fair, adequate and accurate disclosures in the periodic reports required to be filed with governmental, regulatory and statutory authorities. The members of the Senior Management shall initiate all actions deemed necessary for proper dissemination of relevant information to the IM Board, auditors, regulators and other statutory agencies, as may be required under applicable laws, rules and regulations.

Further, the IM Board and Senior Management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

C) USE OF ASSETS AND RESOURCES

Each member of the IM Board and the Senior Management has a duty to the Investment Manager to disclose its legitimate interests while dealing with the assets and resources of the InvIT or the Investment Manager. The members of the Board and Senior Management are prohibited from:

- i. using corporate property, information or position for personal gain;
- ii. soliciting, demanding, accepting or agreeing to accept anything of value from any person while dealing with the assets and resources of the InvIT or the Investment Manager; and
- iii. acting on behalf of the InvIT or the Investment Manager in any transaction in which they or any of their relative(s) have a significant direct or indirect interest.

D) CONFIDENTIALITY AND FAIR DEALINGS

- i. Confidential information includes all trade related information, trade secrets, privileged information, employee related information, strategies, administration, and commercial, legal, scientific, technical data that are either provided to or made available to each member of the IM Board and the Senior Management by the Investment Manager either in paper form or electronic media to facilitate their work or that they are able to know or obtain access by virtue of their position with the Investment Manager. All confidential information must be used for the business purposes of the InvIT and/or the Investment Manager only.
- ii. This responsibility includes safeguarding, securing and proper disposal of confidential information in accordance with applicable law. This obligation extends to confidential information of third parties, which the Investment Manager has rightfully received under non-disclosure agreements. Special care must be taken by the IM Board and the Senior Management in handling the confidential information of third parties. Such confidential information should be handled in accordance with the agreements entered into with such third parties.

E) ACCEPTANCE OF GIFTS AND PAYMENTS

The Investment Manager requires that every Director and the member of Senior Management should be fully compliant with the laws, statutes, rules and regulations that have the objective of preventing unlawful gains of any nature whatsoever.

Directors and the members of Senior Management shall not accept any offer, payment, promise to pay, or authorisation to pay any money, gift, or anything of value from suppliers, shareholders/ stakeholders, etc. that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commission of fraud, or opportunity for the commission of any fraud.

VI. ADDITIONAL GUIDELINES FOR INDEPENDENT DIRECTORS

The independent Directors of the Investment Manager shall:

1. Uphold ethical standards of integrity and probity and help create, maintain and implement a culture of ethical standards and commitment to corporate governance practices and compliance.
2. Act objectively and constructively while discharging his/ her duties.
3. Discharge his/ her responsibilities in a bona fide manner in the interest of the Investment Manager/InvIT.
4. Devote sufficient time and attention to his/her professional obligations for informed and balanced decision making.
5. Not allow any extraneous considerations that will vitiate his/ her exercise of objective independent judgment in the paramount interest of the InvIT and the Investment Manager as a whole, while concurring in or dissenting from the collective judgment of the IM Board in its decision making.
6. Not abuse his/ her position to the detriment of the InvIT or the Investment Manager for the purpose of gaining direct or indirect personal advantage or advantage for any associated person.
7. Refrain from any action that would lead to loss of his/ her independence.
8. Where circumstances arise, which make an independent Director lose his/ her independence, the independent Director must immediately inform the IM Board accordingly.
9. Assist the Investment Manager in implementing the best corporate governance practices.
10. Help in bringing an independent judgment to bear on the IM Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
11. Scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
12. Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.
13. Safeguard the interests of all stakeholders, including the unitholders of the InvIT.
14. Balance the conflicting interest of the stakeholders.
15. Determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
16. Moderate and arbitrate in the interest of the Investment Manager/InvIT as a whole, in situations of conflict between management and unitholder's interest.
17. Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the InvIT.
18. Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Investment Manager.
19. Strive to attend all meetings of the IM Board, the committees thereof of which they are members and the general meetings of the Investment Manager.
20. Participate constructively and actively in the committees of the Board in which he/ she is the chairperson or a member.

21. Where they have concerns about the running of the InvIT or the Investment Manager or a proposed action, ensure that these are addressed by the IM Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the IM Board meeting.
22. Keep themselves well informed about the InvIT and the Investment Manager and the external environment in which they operate.
23. Not to unfairly obstruct the functioning of an otherwise proper IM Board or committee thereof.
24. Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Investment Manager/InvIT.
25. Ascertain and ensure that the Investment Manager has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use.
26. Report concerns about unethical behavior, actual or suspected fraud or violation of the InvIT's code of conduct.
27. Act within their authority, assist in protecting the legitimate interests of the Investment Manager/InvIT & its employees, and unitholders.
28. Not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

VII. WAIVERS

Any waiver of any provision of this Code for a member of the IM Board or a member of the Senior Management must be approved in writing by the IM Board.

The matters covered in this Code are of the utmost importance to the Investment Manager, the InvIT, its stakeholders, and are essential to the ability of the InvIT and the Investment Manager to conduct their businesses in accordance with their value systems.

VIII. REPORTING CONCERNS

Every Director or member of the Senior Management of the Investment Manager shall promptly report to the management any actual or possible violation of the Code or an event that he/ she becomes aware of that could affect the business or reputation of the InvIT. In case of non-compliance of this code by the Directors and /or Senior Management personnel, the same shall be dealt by the IM Board for initiating appropriate action, as they may deem fit and proper.

IX. REVIEW OF CODE

The Code shall be reviewed at such intervals, as is deemed necessary by the IM Board. Consequently, upon any changes in regulatory guidelines, such change shall be deemed to be a part of the Code until the Code is reviewed and approved next time.

ANNEXURE I

**GR HIGHWAYS INVESTMENT MANAGER PRIVATE LIMITED CODE OF CONDUCT FOR THE
INVESTMENT MANAGER' S BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT**

ACKNOWLEDGEMENT FORM

I, _____, have received and read the Investment Manager's "**Code of Conduct for the Investment Manager' s Board of Directors and the Senior Management**" (the "**Code**"). I have understood the terms contained in this Code and I agree to comply with the Code.

Signature:

Name:

Designation:

Date:

Place:

ANNEXURE II

GR HIGHWAYS INVESTMENT MANAGER PRIVATE LIMITED

**CODE OF CONDUCT FOR THE INVESTMENT MANAGER' S BOARD OF DIRECTORS AND THE
SENIOR MANAGEMENT**

ANNUAL COMPLIANCE REPORT*

I, _____, do hereby solemnly affirm to the best of my knowledge and belief that I have fully complied with the terms of the Investment Manager's "**Code of Conduct for the Investment Manager's Board of Directors and the Senior Management**" during the financial year ending March 31 _____.

Signature:

Name:

Designation:

Date:

Place:

*To be submitted annually by April 30.