

POLICY ON RELATED PARTY TRANSCATIONS

MINDPOOL TECHNOLOGIES LIMITED

CIN: L72900PN2011PLC138607

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INTRODUCTION

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Approval of related party transactions is prescribed under the Companies Act, 2013 ("Act") read with the Companies (Meetings of Boards and its Powers Rules) Rules.

In light of the above, MINDPOOL TECHNOLOGIES LIMITED ("the Company") has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

OBJECTIVES

The objective of this Policy is to set out the manner of dealing with the transactions between the Company and its related parties based on the Act, Regulations, and any other laws and regulations as may be applicable to the Company.

DEFINITIONS

- **"Related Party"**, with reference to a Company, shall have the same meaning as defined in Section 2(76) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.
- **"Related Party Transaction" (RPT)** means –
 - for the purpose of the Act, specified transaction mentioned in clause (a) to (g) of sub-section 1 of Section 188;
 - for the purpose Regulation, means a transfer of resources, services or obligations between a listed entity and a related party, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract
- **"Arm's length transaction ('ALP')"** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- A **"transaction"** with a related party shall be construed to include single transaction or a group of transactions in a contract.

PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTIONS:

Approval of the Audit Committee

The Company shall not enter into any contract or arrangement with a Related Party without the approval of the Audit Committee. Prior approval of the Audit Committee shall be obtained for all Related Party Transaction.

Omnibus approval

The Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that are repetitive in nature, subject to the following conditions:

(a) the audit committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions of the listed entity and such approval shall be applicable in respect of transactions which are repetitive in nature;

(b) the audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the listed entity;

(c) the omnibus approval shall specify:

- i. the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,
- ii. the indicative base price / current contracted price and the formula for variation in the price if any; and
- iii. such other conditions as the audit committee may deem fit:

Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, audit committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

(d) the audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity pursuant to each of the omnibus approvals given.

(e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

Review of approvals

The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the company pursuant to each of the omnibus approval given.

Assessment for approval

While assessing a proposal put up before the Audit Committee / Board for approval, the Audit Committee / Board may review such documents and seek such information as it deems necessary from the management in order to determine if the transaction is in the ordinary course of business and at arm's length or not

Approval of Board of Directors or of shareholders the Company

In the event any contract or arrangement with a related party is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed thereunder and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement.

All material related party transactions, other than those with exempted Wholly Owned Subsidiaries will be placed for approval of the shareholders of the Company. A transaction with a related party is considered material if the transaction / transactions to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds ten percent of the annual consolidated turnover as per the last audited financial statements of the Company.

DISCLOSURES

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or arm's length basis along with the justification for entering into such transaction.

REVIEW

The Audit Committee will review the Policy annually, which will include an assessment of the effectiveness of the Policy. The Audit Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval.
