

## **PREMCO GLOBAL LIMITED**

### **Policy on Related Party Transactions**

1. 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 Transactions other than those with Exempted Wholly Owned Subsidiaries, if any (whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval).
2. 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 disclosures:
  - i. The name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can 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.
3. The Audit Committee may also, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that cannot be foreseen and for which the aforesaid details are not available up to a value of Rs. 1 crore per transaction.
4. 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.

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

5. 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.
6. All material related party transactions, other than those with Exempted Wholly Owned Subsidiaries, if any, will be placed for approval of the shareholders of the Company through special resolution and the related parties shall abstain from voting on such resolutions.

*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.*

7. Point 6 is not applicable in following cases:

(i) Transactions entered into between two government companies;

(ii) Transactions entered into between a holding company and its wholly owned subsidiary, if any, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

8. Related Party includes

- (i) Directors and their relatives (i. e. Husband/Wife, Sons, daughter-in laws, daughter, son-in-law, brothers & their wives and sisters & their husbands.)
- (ii) Companies which are subsidiary or joint venture with Premco Global Limited and/or companies under the same management or same shareholding.
- (iii) Principal Employees like CEO, COO, CFO, Compliance Officers & their families.
- (iv) Statutory Auditors, Internal Auditors, Company Law/Secretarial consultants, Co's Advocates/legal Advisors.
- (v) Any other relationship as notifies or advised by law, NSE and/or Stock Exchange where Co's shares are listed.

9. Related Party Transactions include

- (i) Sale/Purchase of Fixed/Immovable and movable assets between the Co. and related party.
- (ii) Off- market Deals between the Co. and related party.
- (iii) Loans/Advances except staff-advances in normal manner, between the Co. and related party.

10. Does Not Include

Trading/Investment i.e. Purchase/Sale of Securities at NSE/BSE terminals provided payment cycles as prescribed by Stock Exchanges/SEBI are observed. Non-observance of payments with Pay-in & Pay- out by either party to be reported to Audit Committee of Board.