

GTN Industries Limited

POLICY ON TRANSACTIONS WITH RELATED PARTIES

1. PREAMBLE

The Board of Directors of **GTN Industries Limited** (hereinafter referred to as "the Company") has adopted the following policy and procedures to regulate the transactions between the company and its Related Parties based on the applicable laws and regulations and the upholding principles of good corporate governance.

2. OBJECTIVE

The Equity Listing Agreement with the Stock Exchange mandates formulation of a policy on materiality of Related Party Transactions and also on dealings with related party transactions. This policy has been framed for comply with this requirement.

3. DEFINITIONS

"Key Managerial Personnel" or "KMP" shall have the meaning as defined in Companies Act, 2013 and the rules made thereunder.

"Material Related Party Transaction" shall have the meaning as defined in applicable listing regulations and provisions

"Related Party" shall have the meaning as defined in section 2 (76) of the Companies Act, 2013 and in the applicable listing regulations and provisions.

"Related Party Transactions" means any transaction involving transfer of resources, services or obligations between the company and a related party, regardless of whether a price is charged, including but not limited to the following

- (i) sale, purchase or supply of any goods or materials
- (ii) selling or otherwise disposing of, or buying, property of any kind
- (iii) leasing of property of any kind
- (iv) availing or rendering of any services
- (v) appointment of any agent for purchase or sale of goods, materials, services or property
- (vi) appointment to any office or place of profit in the company.

“Arms length basis” means a transaction between two related parties i.e. 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.

4. POLICY

- (i) All related party transactions must be reported to the Audit Committee for approval based on this policy. The Audit Committee may approve or refer such transactions to the Board for their approval.
- (ii) Identification of potential related party transactions
- (iii) Key Managerial Personnel and connected related parties. Each Director and Key Managerial Personnel shall at the beginning of the financial year disclose to the company secretary of the company their Related Parties and disclose any changes thereto during the financial year as immediately as practicable. The Company shall also identify Related Party Transactions, if any, with Directors or Key Managerial Personnel of the holding company or their relatives.
- (iv) The Company will identify. the potential transaction with the Related Parties.

5. APPROVAL PROCESS

- (i) Approval of Audit Committee

Every related party transaction shall be subject to the prior approval of the Audit Committee of the Company. Any member of the Committee who has a potential interest in any related party transaction will abstain from any discussion or voting of such proposals.

The Audit Committee may, subject to applicable regulatory provisions including Companies Act, 2013 and the Listing regulations, however, grant omnibus approval for related party transaction proposed to be entered into by the company on such terms and conditions as it may deem appropriate.

To review a related party transaction, the committee will be provided with all relevant material information including the terms of the transaction, the business purpose of the

transaction, the benefits to the company and to the related party, and any other relevant matters.

(ii) Approval of Board of Directors

If the Audit Committee determines that a related party transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve any related party transaction, then the Board shall approve the related party transaction, as may be necessary.

In case of any material change in the terms of a related party transaction, subsequent to its approval by the Audit Committee or the Board, as the case may be, the revised terms shall be presented to the Audit Committee for appropriate decision.

(iii) Approval of Shareholders

All material related transactions will be placed for approval of the Shareholders of the Company and the related parties shall abstain from voting on such resolutions, as prescribed under applicable regulations

In respect of other transactions, other than the Material Related Party Transaction, with the related parties which are not in the Ordinary Course of Business and at Arms' Length Basis, the company shall comply with the provisions of the Companies Act, 2013 and the applicable listing regulations and provisions and obtain approval of the Board and / or shareholders, as applicable for such transactions.

The requirement of seeking approval of the Audit Committee or the shareholders, shall not apply in respect of exempted transactions as specified under Companies Act, 2013 and in applicable listing regulations and provisions

6. RELATED PARTY TRANSACTIONS NOT PREVIOUSLY APPROVED

In the event the company become aware of the Related Party Transactions, that has not been approved or ratified under this policy, the transaction shall be placed as practicable before the Audit Committee or Board of Directors or the Shareholders as may be required in accordance with this policy for review and ratification.

The Audit Committee or the Board of Directors or the shareholders shall consider all relevant facts and circumstances or such transactions and shall evaluate all options available to the company, including but not limited to ratification, revision or termination of such transaction and the company shall take such actions as the Audit Committee deems appropriate under the circumstances.

7. DISCLOSURES

Details of any Material Related Party Transactions shall be disclosed to the stock exchange quarterly along with the compliance report on corporate governance.

The Company shall disclose the policy on its website and web- link shall be provided in the Annual Report.

8. AMENDMENT IN LAW

Any subsequent amendment / modification in the Listing Agreement and / or applicable laws in this regard shall automatically apply to this policy.
