

## **SVC Superchem Limited**

### **RELATED PARTY TRANSACTIONS POLICY**

The Board of Directors (the “Board”) of SVC Superchem Limited (the “Company” or “SVC”), acting upon the recommendation of Audit Committee has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Committee will review and may amend this policy from time to time.

#### **Purpose:**

This policy is intended to ensure the proper approval and reporting of transactions between the Company and any of its directors, nominees for director, KMP or Significant Stockholders or certain entities or persons related to them. Such transactions are appropriate only if they are in the best interest of the Company and Significant Stockholders. The Company is required to disclose each year in annual report certain transactions between the Company and Related Parties as well as our policies concerning transactions with Related Parties. In addition, the Audit Committee and the Board review any Related Party Transactions involving non-employee directors as part of the annual determination of their independence.

#### **Definitions:**

“Immediate Family Member” means a child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of a director, nominee for director, KMP or Significant Stockholder, and any person (other than a tenant or employee) sharing the household of such director, nominee for director, KMP or Significant Stockholder.

“Related Party” means any person who is or at any time since the beginning of the Company’s fiscal year was:

- i. is a related party under Section 2(76) of the Companies Act, 2013;
- ii. has control or joint control or significant influence over the company; and
- iii. is a key management personnel (KMP) of the company or of a parent company.

“Related Party Transaction” means:

- a) a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.
- b) Any material amendment or modification to an existing Related Party Transaction regardless of whether such transaction has previously been approved in accordance with this policy.

“Significant Stockholder” means an entity or person known by the Company to be the beneficial owner of more than 5 percent of equity shares of the company.

Notwithstanding the foregoing, the following shall not be deemed Related Party Transactions:

- a) Any transaction that involves the providing of compensation to a director or KMP in connection with his or her duties to the Company or any of its subsidiaries or affiliates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.

- b) Indemnification and advancement of expenses made pursuant to the Company's Articles of Association or Bylaws or pursuant to any agreement.
- c) Contributions by the Company or any of its affiliates to a charitable organization, foundation or university at which a Related Party is a trustee, director, or employee other than an officer (or comparable position), provided that the contribution does not exceed Rs. 25,000 (Rupees Twenty Five Thousand Only).
- d) Any transaction in which the Related Party's interest arises solely from ownership of equity shares issued by the Company and all holders of equity shares receive the same benefits pro rata as the Related Party.

**Policy:**

All Related Party Transactions must be reported to the Audit Committee for approval in accordance with this policy. This policy is in addition to the provisions dealing with code of conduct.

The Board of directors have approved the policy at their meeting held on 12<sup>th</sup> August, 2014.

**Identification of Potential Related Party Transactions:**

Each director, nominee for director and KMP is responsible for providing written notice to the Audit Committee of any potential Related Party Transaction involving him or her or his or her Immediate Family Member, including any additional information about the transaction that the Audit Committee may reasonably request. The Audit Committee in consultation with other members of management and with outside counsel, as appropriate, will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy. The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction and to refer it to Board for approval.

**Review and Approval of Related Party Transactions:**

Related Party Transactions involving a Significant Stockholder, director, nominee for director, KMP and/or their Immediate Family Members will be referred to the Audit Committee for review and approval. Any member of the Audit Committee who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from voting on the approval or ratification of the Related Party Transaction, but may participate in all or a portion of the Audit Committee's discussions of the Related Party Transaction, if requested by the Chair of the Committee.

To review a Related Party Transaction, the Audit Committee will be provided with all relevant material information of the Related Party Transaction, 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. In determining whether to approve or ratify a Related Party Transaction, the Audit Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- i. Whether the terms of the Related Party Transaction are fair to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- ii. Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;

- iii. Whether the Related Party Transaction would impair the independence of an otherwise independent director or nominee for director;
- iv. Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification would be detrimental to the Company; and
- v. Whether the Related Party Transaction would present an improper conflict of interest for any director, nominee for director or KMP of the Company, taking into account the size of the transaction, the overall financial position of the director, nominee for director, KMP or other Related Party, the direct or indirect nature of the director's, nominee's, KMP or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Committee deems relevant.

In any case, the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Audit Committee as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable for ratification. In connection with any review of a Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

If the Committee or its Chair 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, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.