

POLICY ON RELATED PARTY TRANSACTIONS

1) SCOPE AND PURPOSE OF THE POLICY

1.1 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. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (“**Act**”) read with the Rules framed there under and Clause 49 of the Listing Agreement, The Kinetic Trust Limited has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

1.2 Also, Clause 49(VII)(C) of the Listing Agreement requires a company to formulate a policy on materiality of related party transactions and dealing with related party transactions.

1.3 In light of the above, Kinetic Trust Limited has framed this Policy on Related Party Transactions (“**Policy**”). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee of Directors (Audit Committee). Going forward, the Audit Committee would review and amend the Policy, as and when required, subject to the approval of the Board.

1.4 This Policy does not supersede other delegation of powers to management, resolutions of the Board requiring certain transactions to be approved by the Board or other Committees thereof.

2) OBJECTIVE OF THE POLICY

2.1 The objective of this Policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, Clause 49 of the Listing Agreement and any other laws and regulations as may be applicable to the Company.

3) MATERIALITY THRESHOLDS

3.1 Clause 49 of the Listing Agreement requires a company to provide materiality thresholds for transactions beyond which the shareholders’ approval will be required by way of a special resolution. KTL has fixed its materiality threshold at the level prescribed under Clause 49 (VII)(C) of the Listing Agreement.

4) MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

a) Identification of related parties

Kinetic Trust Limited shall identify Related Parties as per the definition provided in the applicable laws and regulations, including the Act and the

SEBI Equity Listing Agreement, as amended from time to time.

The Company shall regularly verify and update the Related Party list and review and confirm (at least once a quarter) in accordance with the applicable laws as prevalent.

b) Identification of related party transactions

As a policy, Kinetic Trust Limited will identify transactions falling under contracts and arrangements, as per the applicable laws, entered into with related parties for the consent of the Audit Committee, Board of Directors and shareholders, as applicable. Currently, Kinetic Trust Limited has identified Related Party transactions and subsequently categorized them into broad categories e.g. Contract and arrangement relating to procurement of goods and availment of services, providing of Corporate Guarantees etc.

Any other related party transaction identified during the periodic review and not covered into the aforementioned category, shall be independently reviewed, approved and included for conformance as a part of Related Party Policy mechanism.

Kinetic Trust Limited shall report the transactions of aforementioned category entered into with related parties identified as per Clause 4(a) of this policy, and put the same for necessary approvals required as per the applicable law.

c) Procedure for approval of related party transactions

A. Approval by the Audit Committee

All Related Party transactions require prior approval of the Audit Committee.

B. Approval of the Board of Directors of the Company

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business and at arm's length basis, are placed before the Board for its approval.

C. Approval of the Shareholders of the Company

All the transactions with related parties meeting the materiality thresholds, laid down in Clause 3 of the Policy, shall be placed before the shareholders for approval.

For this purpose, all entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

5. ORDINARY COURSE OF BUSINESS

The Framework and Guidelines shall provide for determining whether transactions are in the ordinary course of business.

6. DISCLOSURE AND REPORTING

- 6.1 Details of Related Party Transactions during each quarter shall be reported in the Audit Committee and Board meetings.
- 6.2 The Company shall report to the Stock Exchange along with the compliance report on corporate governance on a quarterly basis details of all material transactions with related parties.
- 6.3 Director's report shall contain details of Related Party Transactions as required under applicable law.
- 6.4 This Policy shall be communicated to all concerned employees and other persons of the Company at all locations for implementation and reporting.