

SHIPPING SOLUTIONS AMEA AVANA LOGISTEK



DP WORLD

POLICY ON RELATED PARTY TRANSACTIONS

PREAMBLE

The Board of Directors (the “Board”) of Avana Logistek Limited (the “Company”) has adopted this Policy which includes the manner of dealing with Related Party Transactions in compliance with the requirements of Section 188 of the Companies Act, 2013 and amendments thereof, from time to time.

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions.

OBJECTIVE

Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

DEFINITIONS

“**Board**” means the Board of Directors as defined under the Companies Act, 2013.

“**Key Managerial Personnel**” means Key Managerial Personnel as defined under the Companies Act, 2013.

“**Related Party**” means related party as defined under the Companies Act, 2013.

“**Related Party Transaction**” means any transaction between the Company and any Related Party for the following:

- a) Sale, purchase or supply of any goods or materials;
- b) Selling or otherwise disposing of, or buying property of any kind;
- c) Leasing of property of any kind;
- d) Availing or rendering of any services;
- e) Appointment of any agent for the purchase or sale of goods, materials, services or property;
- f) Such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company;
- g) Underwriting the subscription of any securities or derivatives thereof, of the Company;
- h) (The above is an indicative list and not an exhaustive one).

“Relative” means a relative as defined under the Companies Act, 2013 and includes anyone who is related in any of the following manner –

- a) Members of a Hindu undivided family;
- b) Husband or wife;
- c) Father (including step-father);
- d) Mother (including step-mother);
- e) Son (including step-son);
- f) Son’s wife;
- g) Daughter;
- h) Daughter’s husband;
- i) Brother (including step-brother); or
- j) Sister (including step-sister).

“Transaction” with a related party shall be construed to include a single transaction or a group of transactions.

The terms Director, Chief Financial Officer, Company Secretary, shall have the same meaning as assigned under the Companies Act, 2013.

POLICY

The Board shall review and approve all Related Party Transactions based on this Policy.

All proposed Related Party Transactions must be reported to the Board for prior approval in accordance with this Policy. In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Board may grant standing pre – approval / omnibus approval, details whereof are given in a separate section of this Policy.

In exceptional cases, where a prior approval is not taken due to an inadvertent omission or due to unforeseen circumstances, the Board may ratify the transactions in accordance with this Policy.

CONSIDERATION BY THE BOARD IN APPROVING THE PROPOSED TRANSACTIONS

While considering any transaction, the Board shall take into account all relevant facts and circumstances 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.

Prior to the approval, the Board shall, inter-alia, consider the following factors to the extent relevant to the transaction:

- a) Whether the terms of the Related Party Transaction are in the ordinary course of the Company’s business and are on an arm’s length basis;
- b) The business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;

- c) Whether the Related Party Transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed Transaction; and
- d) Whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director, Key Managerial Personnel or other Related Party, the direct or indirect nature of the Director's interest, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board deems relevant.

While considering the arm's length nature of the transaction, the Board shall take into account the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party. The Board shall take into consideration that subsequent events (i.e., events after the initial transactions have commenced) like evolving business strategies / short term commercial decisions to improve / sustain market share, changing market dynamics, local competitive scenario, economic / regulatory conditions affecting the global / domestic industry, may impact profitability but may not have a bearing on the otherwise arm's length nature of the transaction.

STANDING PRE-APPROVAL / OMNIBUS APPROVAL BY THE BOARD

In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Board may grant standing pre-approval / omnibus approval. While granting the approval the Board shall satisfy itself of the need for the omnibus approval and that same is in the interest of the Company. The prior/ omnibus approval shall specify the following as per Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014:

The agenda of the Board meeting at which the resolution is proposed to be moved shall disclose-

- a) the name of the related party and nature of relationship;
- b) the nature, duration of the contract and particulars of the contract or arrangement;
- c) the material terms of the contract or arrangement including the value, if any;
- d) any advance paid or received for the contract or arrangement, if any;
- e) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- f) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
- g) any other information relevant or important for the Board to take a decision on the proposed transaction.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Board for each specific transaction unless the price, value or material terms of the contract or arrangement have been varied / amended. Any proposed variations / amendments to these factors shall require a prior approval of the Board.

Further, the Board shall on an annual basis review and assess such transactions including the limits to ensure that they are in compliance with this Policy. The prior or omnibus approval shall be valid for a period of one financial year and fresh approval shall be obtained after the expiry of that financial year.

TRANSACTIONS NOT IN ORDINARY COURSE OF BUSINESS OR NOT AT ARM'S LENGTH

All Related Party Transactions in excess of the limits prescribed under the Companies Act, 2013, which are not in the Ordinary Course of Business or not at Arms' Length shall also require the prior approval of the shareholders through a resolution.

RELATED PARTY TRANSACTIONS NOT PREVIOUSLY APPROVED

In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, the transaction shall be placed as promptly as practicable before the Board or the Shareholders as may be required in accordance with this Policy for review and ratification.

The Board or the Shareholders shall consider all relevant facts and circumstances respecting such transaction 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 action as the Board deems appropriate under the circumstances.

SCOPE LIMITATION:

In the event of any conflict between the provisions of this Policy and of the Companies Act, 2013 or any other statutory enactments, rules, the provisions of Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

