

Related Party Transactions Policy

Phoenix Overseas Limited has always been committed to good corporate governance practices, including in matters relating to Related Party Transactions (RPTs). Endeavour is consistently made to have only arm's length transactions with all parties including Related Parties. The Board of Directors of the Company has adopted the following policy regarding materiality of related party transactions and also on dealings with Related Parties in terms of Section 188 of the Companies Act, 2013.

Related Party

A party will be considered related to the Company if :

- i. such entity is a related party under Section 2(76) of the Companies Act, 2013; or
- ii. such entity is a related party under the applicable accounting standards.

Material Subsidiaries

Material subsidiary in a year shall be a subsidiary whose income or net worth exceeds 20% of the consolidated income or net worth respectively of the Company and its subsidiaries, in the immediately preceding accounting year.

Related Party Transaction

"Related party transaction" means transfer of resources , services or obligations between a company and a related party, regardless of whether price is charged but shall not include reimbursement of any expense incurred in the ordinary course of business.

A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract."

Materiality of Related Party Transactions

Transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the company.

Dealing with Related Parties

The Company shall not enter into any contract or arrangement with a Related Party without the approval of the Board.

In the event such contract or arrangement 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, the Rules framed thereunder, and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement.

In addition, all material related party transactions, other than transactions entered into between the Company and placed before the shareholders at the general meeting for approval, will require approval of the shareholders through resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.