

# **Solid Containers Limited**

## **Related Party Transaction Policy**

### **Introduction**

The Board of Directors (the "Board") of Solid Containers Limited (the "Company") has based on recommendations of the Audit Committee, adopted the following policy and procedures with regard to Related Party Transactions.

### **Purpose**

This Policy is framed as per the requirement of Clause 49 of the Listing Agreement with the Stock Exchange. This policy is intended to regulate transactions between the Company and its Related Parties in compliance with various applicable laws, including the Companies Act, 2013 ("the Act") and the Rules framed thereunder and the Listing Agreement with the Stock Exchange.

### **Definitions**

For the purposes of this policy, the following definitions apply:

1. "Related Party" shall have the same meaning ascribed to such term under Section 2(76) of the Act and the Listing Agreement with the Stock Exchange as may be amended from time to time.
2. "Related Party Transaction" shall have the same meaning as ascribed to such term under the Listing Agreement with the Stock Exchange as may be amended from time to time, including such transactions listed in Section 188(1)(a)-(g) of the Act and any subsequent modifications made thereto.

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

#### **A. Audit Committee**

1. All the transactions which are identified as Related Party Transactions should be pre-approved by the Audit Committee before entering into such transaction.
2. Any member of the Committee who has potential interest in any Related Party Transaction will abstain himself from discussion and voting on the approval of the Related Party Transaction. A Related Party Transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price,

would require approval of the Board of Directors or of Shareholders as discussed subsequently.

3. The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the conditions as prescribed in Clause 49 of the Listing Agreement (as amended from time to time).

## **B. Board of Directors**

In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board will consider such factors such as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any Related Party Transaction will abstain himself from discussion and voting on the approval of the Related Party Transaction.

## **C. Shareholders**

If a related party transaction is (i) a material transaction as per Clause 49 of the Listing Agreement, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Act; it shall require Shareholders' approval by a special resolution. In such a case, any member of the Company who is a Related Party, shall not vote on resolution passed for approving such Related Party Transaction.

## **Limitation and Amendment**

In the event of any conflict between the provisions of this Policy and of the Act or Listing Agreement or any other statutory enactments, rules, the provisions of such Act or Listing Agreement or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Agreement, Act and/or applicable laws in this regard shall automatically apply to this Policy.