



Transactions or Contracts with Associated Companies and Related Parties

1. Purpose

This policy is intended to ensure the proper approval and reporting of transactions between the Company and its related parties, subsidiary, associated undertakings, directors, nominees for director, key management personnel, or Significant Stockholders or certain entities or persons related to them as required under the Companies Ordinance 1984, Listing regulations (Code of Corporate Governance) and International Accounting Standards / International Financial Reporting Standards.

Related party transactions are appropriate only if they reflect economic substance and are executed to conduct the normal course of business. These transactions should be at arm's length, however, if in case the Company is required to enter into an agreement which is not at arm length, the Company must ensure that the terms are in the best interest of the Company. The Company is required to disclose the related party relationship and transactions in Company's financial statements.

2. Policy

In accordance with the requirements set out by the Code under the Listing Regulations for the approval of Related Party Transactions, the Company has adopted the following policy:

a) Transactions AT Arm's Length

The related party transactions register shall be placed before the Audit Committee (AC) and upon recommendations of the Audit Committee (AC) the same shall be placed before the Board for review and approval / ratification.

Conditions for transactions with related parties to be characterized as "arm's length transactions are as follow:

- The parties to the transaction were unrelated in any way;
- The parties were free from any undue influence, control or pressure;
- Through its relevant decision-makers, each party was sufficiently knowledgeable about the circumstances of the transaction, sufficiently experienced in business and sufficiently well advised to be able to form a sound business judgement as to what was in its interests; and
- Each party was concerned only to achieve the best available commercial result for itself in all the circumstances.

b) Transactions NOT AT Arm's Length

The related party transactions which are not executed at arm's length shall also be placed separately at each Audit Committee (AC) meeting along with necessary justification for consideration and approval of the Board on recommendation of the Audit Committee (AC).

The Board shall approve the pricing methods for related party transactions that were made on the terms equivalent to those prevailing in arm's length transaction, only if such terms can be substantiated.

The minimum conditions that need to be fulfilled transaction not executed at arm's length are as follow:

- Minimum information required for the related parties with whom transactions are to be made including nature of related party relationship at the time of approval in board meetings or general meetings;
- Limitations or conditions that may be applicable in case of certain or particular related party transactions;
- Potential risks of related party transactions and mitigating measures;
- Procedure to be followed in case of failure to present related party transactions for approval by the appropriate forum within prescribed time; and
- Pricing policy.

c) Approval of related party transactions

In order to comply with requirement set out by the Code, the Company shall maintain a party-wise record of transactions, in each financial year, entered into with related parties in that year along with all relevant documents and explanations. The record of related party transactions shall include the following particulars in respect of each transaction:

- Name of related party;
- Names of the interested or concerned persons or directors;
- Nature of relationship, interest or concern along with complete information of financial or other interest or concern of directors, managers or key managerial personnel in the related party;
- Detail, description, terms and conditions of transactions;
- Amount of transactions;
- Time-frame or duration of the transactions or contracts or arrangements;
- Pricing policy;
- Recommendations of the audit committee, where applicable; and
- Any other relevant and material information that is necessary for the board to make a well informed decision regarding the approval of related party transactions.



3. Review and Approval of Related Party Transactions

- a) Related Party Transactions involving a Significant Stockholder, director, nominee for director, or the key management personnel and/or their Close Family Members will be referred to the AC for review and approval or ratification. Any Board member 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 Board's discussions of the Related Party Transaction, if requested by the Chairman of the Board.
- b) To review a Related Party Transaction, the 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 AC will consider the following factors, among others, to the extent relevant to the Related Party Transaction:
- Whether the terms of the Related Party Transaction are fair to the Company and would apply on the same basis if the other party to the transaction did not involve a Related Party.
 - 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.
 - Whether the Related Party Transaction would impair the independence of an otherwise independent director or nominee for director.
 - Whether the Related Party Transaction would present a conflict of interest for any director, nominee for director or Key management personnel of the Company, taking into account the size of the transaction, the overall financial position of the director, nominee for director, Key management personnel or other Related Party, the direct or indirect nature of the director's, nominee's, Key management personnel or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the AC deems relevant.
- c) In all cases the AC may exercise all its powers in connection to a related party transactions as defined in the Companies Act, 2017 or the Listed Companies (Code of Corporate Governance) Regulations, 2017