

POLICY ON RELATED PARTY TRANSACTIONS

1. Purpose of the Policy

The Board of Directors of National Standard (India) Limited (“**the Company**”) has formulated and adopted policy on materiality of Related Party Transactions and on dealing with Related Party Transactions (“**Policy**”) under Clause 49 of the Listing Agreement. Clause 49 of the Listing Agreement has mandated every listed company to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

The Audit Committee will review the Policy periodically and may amend the same from time to time and propose / recommend the same to the Board for approval.

2. Objective of the Policy

The objective of this policy is to ensure proper approval and reporting of transactions between the Company and its Related Parties.

3. Terms and reference

- a) **Act** shall mean the Companies Act, 2013 including any rules framed thereunder and includes any amendment thereof.
- b) **Materiality of related party transactions means** Contracts / arrangements with a related party shall be considered as “material related party contracts /arrangements if the transactions during a financial year under such contract /arrangements exceed the threshold prescribed under the Listing Agreement, as amended from time to time.

Words, terms and expressions used and not defined in these rules or Listing Agreement but defined in the Act shall have the same meaning respectively assigned to them in the Act , as amended from time to time.

4. Approval of related party transaction

a) Audit Committee

- i. Approval of Audit Committee shall be taken for related party transactions as required under the Companies Act and Listing Agreement as amended from time to time.
- ii. The Audit Committee shall consider all relevant factors while deliberating the related party transactions for its approval.
- iii. 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.
- iv. A related party transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Committee, will be placed before the Committee for ratification.

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 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 rescue himself and abstain 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 Companies Act, 2013, it shall require shareholders' approval by 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.

5. Disclosures

- a) Every contract or arrangement, which is required to be approved by the Board/shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement as prescribed under Section 188(1) of the Act.
- b) The Company shall also have to disclose the policy on dealing with Related Party Transactions on its website and also in the Annual Report (by way of a web link).

6. 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 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.