



ABM KNOWLEDGEWARE LIMITED

POLICY ON RELATED PARTY TRANSACTION

PREAMBLE

The Board of Directors (the “Board”) of ABM KnowledgeWare Limited (the “Company”) has adopted the following policy and procedures with regard to Related Party Transactions as defined below. Amendments, from time to time, to the Policy, if any, shall be considered by the Board based on the recommendations of the Audit Committee. This policy is framed in compliance with the requirements of Section 188 of Companies Act, 2013 read with the Rules made there under and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 including any amendment thereof, from time to time.

DEFINITIONS

“**Audit Committee**” means “**Audit Committee**” constituted by the Board of Directors of the Company under provisions of Listing Regulations and Companies Act, from time to time.

“**Board of Directors**” or “**Board**” means the Board of Directors of ABM KnowledgeWare Limited, as constituted from time to time.

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

1. Managing Director, or Chief Executive Officer or Manager and in their absence a Whole-Time Director;
2. Company Secretary; and
3. Chief Financial Officer.

“**Policy**” means Related Party Transaction Policy.

“**Related Party**” means an individual, entity, firm, body corporate or person as defined in Section 2(76) of the Act and Regulation 2(1) (zb) of the SEBI Listing Regulations.

“**Related Party Transactions**” means a transaction between the Company and a Related Party which reported transaction is of the nature specified in sub-clause (a) to (g) of section 188 (1) of the Companies Act 2013, or is a reported related party transaction as understood under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 including any amendment thereof, from time to time.

“**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

“**Material Related Party Transaction**” means the reported transaction / transactions to be entered into individually or taken together with previous reported 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.

However, a transaction involving payments made to a related party with respect to “**brand usage**” or “**royalty**” shall be **considered material** if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, **exceed five percent of the annual consolidated turnover of the Company** as per the last audited financial statements of the Company.

“**Arm’s length transaction**” means a reported transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

POLICY

The Related Party Transaction Policy is formulated and aimed to identify related party transactions and the manner of dealing with such transactions.

IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS

Each director and Key Managerial Personnel is responsible for providing Notice to the Company Secretary of any potential Related Party Transaction involving him/her or his or her relative, including any additional information about the transaction that the Board/Audit Committee may request, for being placed before the Audit Committee and the Board. The Board shall record the disclosure of Interest and the Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

Where any Director is interested in any contract or arrangement with a related party, such Director shall not be present at the meeting during the discussion on the subject matter of the resolution relating to such contract or arrangement and shall abstain from voting.

The Company may require any additional information on any such potential 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 well in advance so that the Audit Committee/Board has adequate time to obtain any further approval/s necessary for the proposed transaction.

All Related Party Transactions shall require prior approval of Audit Committee. The Audit Committee may consider the following factors, amongst others, to the extent relevant to the Related Party Transaction:

- Whether the terms of the Related Party Transaction are fair and on arm’s length basis and do not conflict with the interests of the Company and whether they would apply on a similar basis if 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 nature of alternative transactions, if any;
- Whether the Related Party Transaction affects the independence of an independent director;
- Whether the proposed transaction includes any potential risk issues to the reputation of Company and management as a result of or in connection with the proposed transaction;

STANDING PRE-APPROVAL / OMNIBUS APPROVAL BY THE COMMITTEE

In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Committee may grant standing pre-approval / omnibus approval. While granting the approval the Audit Committee shall satisfy itself of the need for the omnibus approval and that same is in the interest of the Company. The omnibus approval shall specify the following:

- a. Name of the related party
- b. Nature of the transaction
- c. Period of the transaction
- d. Maximum amount of the transactions that can be entered into
- e. Indicative base price / current contracted price and formula for variation in price, if any
- f. Such other conditions as the Audit Committee may deem fit.

However, in case of related party transactions which cannot be foreseen and where the above details are not available the audit committee may grant omnibus approval provided the value does not exceed Rs.1 crore per transaction.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee 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 Committee.

RELATED PARTY TRANSACTIONS NOT PREVIOUSLY APPROVED

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee which shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts, circumstances and reasons pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

APPROVAL OF THE BOARD FOR REPORTED RELATED PARTY TRANSACTIONS:

Consent of the Board would be taken in respect of all reported related party transaction, except in the cases where the reported transactions entered into by the Company in its ordinary course of business and are on an arm's length basis.

Any member of the Board who has a potential interest in any reported Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.

APPROVAL OF THE SHAREHOLDERS FOR REPORTED RELATED PARTY TRANSACTIONS:

All reported Material Related Party Transactions and transactions mention in Sub - Section 1 of Section 188 of Companies Act, 2013 shall require approval of the shareholders through special resolution and no related party shall vote to approve such resolutions.

However, requirements of approval of the shareholders for reported Related Party Transactions shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

DISCLOSURE:

Every reported Related Party Transactions shall be disclosed in the following manner:

- In the Directors' report along with proper justification for entering into such contract or arrangement.
- Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.

The policy shall be disclosed on the company's website at www.abmindia.com and a web link thereto shall be provided in the Annual Report. This policy will be communicated to all Directors and Key Managerial Personnel of the Company.

HALF YEARLY DISCLOSURE:

The Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.

AMENDMENT:

The Company reserves the right to amend or modify this Policy in whole or in part, at any point of time.