

JD OROGCHEM LIMITED

RELATED PARTY TRANSACTIONS POLICY

The Board of Directors of JD Orgochem Limited (the "Company"), has adopted the following policy with regard to Related Party Transactions, as defined below.

POLICY:

Related Party Transactions, which are limited to those described in this policy, shall be subject to the approval or ratification by the Audit Committee/ Board of the Company in accordance with this Policy.

PREFACE:

As per Section 188 of the Companies Act, 2013, its Rules made thereunder and Listing Agreement, certain transactions entered between the Company and its related party needs to be approved by the Audit Committee/ Board of Directors of the Company. Finally, Clause 49 of Listing Agreement requires a Listed Company to formulate and adopt Related Party Transaction Policy on materiality of related party transactions and also on dealing with such Transactions.

This Policy is intended to provide guidance and direction on Related Party Transactions.

POLICY STATEMENT:

It is the policy of JD Oroghcem Limited (the "Company") that all transactions between the Company and its Related Parties are done in "fair and at arm's length" terms and inures to the benefit and best interest of the Company and its shareholders as a whole, considering relevant circumstances. All transactions with Related Parties shall be conducted in accordance with the principles of transparency and fairness, and in this regard shall be properly approved and disclosed in accordance with this Policy.

DEFINITION:

- A. Related Party Transaction (RPT) is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.
- B. A 'related party' is a person or entity that is related to the company. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and/or operating decisions and includes the following:
 1. A person or a close member of that person's family is related to a company if that person:
 - a. is a related party under Section 2(76) of the Companies Act, 2013;or
 - b. has control or joint control or significant influence over the company; or

- c. is a key management personnel of the company or of a parent of the company; or
2. An entity is related to a Company if any of the following conditions applies:
- a. The entity is a related party under Section 2(76) of the Companies Act, 2013; or
 - b. The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others); or
 - c. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); or
 - d. Both entities are joint ventures of the same third party; or
 - e. One entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
 - f. The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company; or
 - g. The entity is controlled or jointly controlled by a person identified in (1).
 - h. A person identified in (1)(b) has significant influence over the entity (or of a parent of the entity); or

GENERAL PRINCIPLES:

The Company shall, as soon as practicable, adopt implementing rules and regulations in furtherance of this RPT Policy in accordance with the following general principles:

1. The Company shall at all times observe and adhere with the provisions of the Section 188 of the Companies Act, 2013, the Rules made there under and the Clause 49 of the Listing Agreement, and all other relevant and laws, rules and regulations, as may be applicable in the review, approval and disclosure of RPTs. The Company shall at all times observe, uphold and respect the rights of its shareholders, minority and majority alike, through this RPT Policy.
2. All RPTs shall be reviewed and approved by the Audit Committee before the approval of Board of Directors. The Board may require that an RPT approved by it and if required under the Rules of the Companies Act, 2013 be also submitted to the Members of the Company for consideration and ratification in the General Meeting/ by way of Postal ballot process, if any.
3. In their review of RPTs, each RPT Audit Committee/ Board shall ensure that RPTs are for the best interest of the Company. While considering each RPT, Audit Committee/ Board shall consider all of the relevant facts and circumstances available, including but not limited to the following:
 - (a) The benefits to the Company of entering into the transaction;
 - (b) The extent of the Related Party's interest;
 - (c) The availability of other sources of comparable products or services;
 - (d) The extent to which the terms of the RPTs are less favorable than terms generally available in non-related transactions under like circumstances;
 - (e) The aggregate value of the RPT; and

- (f) The impact on a director's independence if the Related Party is a director, an immediate family member of a director or an entity in which a director is a shareholder or of which a director is a senior executive officer, director, general partner, managing member or a person in a similar position.
4. The Company shall provide a mechanism for the proper and timely disclosure of all RPTs, in accordance with the categories and criteria determined by the Board of Directors.
 5. Directors and key management personnel shall disclose their interest in transactions and any other conflicts of interest. The Company requires interested directors and key management personnel to abstain and/or inhibit themselves from participating in discussions/ voting on a particular agenda.
 6. The Company does not grant loans or any special financial assistance to Directors.
 7. The Company shall ensure that RPTs carried out by its subsidiaries are conducted in accordance with this Policy.

A Related Party Transaction entered into without pre-approval of the Committee shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as the transaction is brought to the Committee as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

The following are considered as **RPTs** when performed with a Related Party:

- (a) sale, purchase or supply of any goods or materials;
- (b) selling or otherwise disposing of, or buying, property of any kind;
- (c) leasing of property of any kind;
- (d) availing or rendering of any services;
- (e) appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and Related party transactions.
- (g) underwriting the subscription of any securities or derivatives thereof, of the company:

DISCLOSURES:

1. Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.
2. The Company shall disclose the policy on dealing with Related Party Transactions on its website and also in the Annual Report.