



EMPIRE INDUSTRIES LIMITED

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

1. Introduction and Background

Empire Industries Limited (the “Company” or “EIL”) recognizes that related party transactions can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company's and its stakeholders' best interests.

2. Scope & Inclusion

This policy sets definition of materiality of related party transactions and dealing with related party transactions.

3. Terms and References

Materiality of related party transactions

Contracts / arrangements with a related party shall be considered as “material related party contracts / arrangements if the transactions during a financial year under such contracts / arrangements exceed the threshold prescribed by SEBI Circular - CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 or any amendment thereof.

4. Policy

- a. All related party contracts / arrangements shall be entered on arms' length basis.
- b. In exceptional circumstances, where permitted by law, related party contracts / arrangements may deviate from the principle of arm's length, after approval from Audit Committee.
- c. All related party contract / arrangements shall comply with the Companies Act, 2013.
- d. All related party contract / arrangements shall comply with Listing Agreement.
- e. All related party contract / arrangements shall comply with Accounting Standards.
- f. All domestic related party contracts / arrangements shall, wherever applicable, comply with Domestic Transfer Pricing Requirement under section 92BA of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.
- g. All international related party contract / arrangements shall comply with International Transfer Pricing Requirement under section 92B of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.
- h. Approval of Audit Committee shall be taken for related party contracts / arrangements as required under the Companies Act and Listing Agreement.

(This document was approved by the Board of Directors at its Meeting held on 23/05/2017)