

# VXL INSTRUMENTS LIMITED

## POLICY ON RELATED PARTY TRANSACTIONS

### 1. BACK GROUND

VXL Instruments Limited (VXL) has always been committed to good corporate governance practices.

The Board of Directors has adopted this Policy upon recommendation of the Audit Committee. The said Policy includes materiality thresholds and the manner of dealing with Related Party Transactions (The Policy) in compliance with the requirements of Sections 188 of the Companies Act, 2013 and Rules framed there under and Clause 49 of the Listing Agreement with the Stock Exchange. Amendments from time to time, to the Policy, if any, shall be considered by the Board of Directors based on the recommendations of the Audit Committee.

This Policy applies to transactions between VXL and one or more of its Related Parties. Such transactions are appropriate only if they are in the best interests of VXL and its shareholders.

### 2. OBJECTIVE

The Listing Agreement with the Stock Exchange mandates formulation of a policy on materiality of Related Party Transactions and also on dealings with Related Party Transactions. This Policy has been framed for complying with this requirement.

### 3. DEFINITIONS

3.1. "Act" means Companies Act, 2013 and the Rules framed there under, including any modifications, amendments, clarifications, circulars or re-enactments thereof.

3.2 "Arm's Length basis" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

3.3. "Audit committee" means committee of Board of Directors of VXL.

3.4. "Board of Directors" or "Board" means the Board of Directors of VXL.

3.5 "Company means VXL Instruments Limited (VXL).

3.6. "Key Managerial Personnel" means the Key Managerial Personnel of the Company in terms of the Act.

3.7. "Listing Agreement" means Equity Listing Agreement of the Company with the Stock Exchange.

3.8. "Material Related Party Transaction" means a Related Party Transaction which individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements.

3.9. "Policy" means the current Policy on Related Party Transactions, including amendments, if any, from time to time.

3.10 "Related Party" means a related party as defined under the Act read with Clause 49 of the Listing Agreement and as amended from time to time.

3.11 "Related Party Transactions" means any transaction between the Company and any Related Party for transfer of resources, services or obligations, regardless of whether a price is charged.

3.12. "Relative" means a relative as defined under the Act.

3.13. "Transaction" with a Related Party shall be construed to include single transaction or a group of transactions in a contract.

#### **4. POLICY**

All Related Party Transactions must be reported to the Audit Committee based on this Policy.

##### **4.1. Identification of potential Related Party Transactions**

4.1.1. VXL's subsidiary - VXL Instruments Limited - UK shall be considered as a Related Party

4.1.2. Key Managerial Personnel and connected Related Parties: Each Director and Key Managerial Personnel shall at the beginning of financial year disclose to the Company Secretary of the Company their Related Parties and disclose any changes thereto during the financial year as immediately as practicable. The Company shall also identify Related Party Transactions, if any, with Directors or Key Managerial Personnel of the holding Company/ies or their relatives.

4.1.3 The Company will identify the potential transactions with the Related Parties.

##### **4.2 Review and approval of Related Party Transactions**

###### **4.2.1 Audit Committee**

Every Related Party Transaction shall be subject to the prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature subject to the compliance of conditions contained in Clause 49 of the Listing Agreement.

Any member of the Audit Committee who has a potential conflict of interest in any Related Party Transaction will not remain present at the meeting or shall abstain from discussion and voting on the approval of such Related Party Transactions and shall not be counted in determining the presence of quorum when such Transaction is considered.

To review a Related Party Transaction, the Audit Committee shall be provided with necessary information, to the extent relevant with respect to actual or potential Related Party Transactions and/or prescribed under the Act and the Listing Agreement

While considering any Related Party Transaction, the Audit Committee shall take into account all relevant facts and circumstances, including the terms and business purpose of such Transaction, the benefits to the Company and to the Related Party, whether such Transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed Transaction and any other relevant matters.

#### **5. Board of Directors**

If the Audit Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case decides to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction and the consideration set forth above under Paragraph

4.2.1 shall apply to the review and approval of the matter by the Board of Directors, with such modifications as may be necessary or appropriate under the circumstances.

Any member of the Board who has a potential conflict of interest in any Related Party Transaction will not remain present at the meeting or shall abstain from discussion and voting on the approval of such Related Party Transactions and shall not be counted in determining the presence of quorum when such Transaction is considered.

## **6. Shareholders**

All the Material Related Party Transactions shall require approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolutions.

All the transactions, other than the Material Related Party Transactions, with the Related Parties shall also require the approval of the shareholders through special resolution if so required under any law and the Related Party/ies with whom transaction is to be entered into shall abstain from voting on such resolution.

## **7. Related Party Transactions not previously approved**

In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, the transaction shall be placed as promptly as practicable before the Audit Committee or Board of Directors or the Shareholders as may be required in accordance with this Policy for review and ratification.

The Audit Committee or the Board of Directors or the Shareholders shall consider all relevant facts and circumstances of such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision or termination of such transaction and the Company shall take such actions as the Audit Committee deems appropriate under the circumstances.

## **8. Disclosure Requirement**

Details of any Material Related Party Transactions shall be disclosed to the Stock Exchange quarterly along with the compliance report on corporate governance.

The Company shall disclose the Policy on its website and web link shall be provided in the Annual Report.

## **9. Amendment in Law**

Any subsequent amendment/modification in the Listing Agreement and/or applicable laws in this regard shall automatically apply to this Policy.

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