

BGR ENERGY SYSTEMS LIMITED

RELATED PARTY TRANSACTIONS POLICY

1. Objective

This Policy is framed, in accordance with the requirement of Clause 49 of the Listing Agreement (including amendments thereof) and intended to define materiality of related party transactions of the Company on or after 1st October 2014.

2. Definitions and Interpretations

Words and expressions used but not defined in this policy shall have respective meaning as assigned to them in the Listing Agreement between the Company and stock exchanges and in the absence of such meaning, the meaning assigned in the Companies Act, 2013 shall be adopted, if so warrants.

3. Transactions between Company & Related Parties & Materiality Threshold

- i. A transaction with a Related Party shall be "material" if the transaction /transactions to be entered into individually or taken together with the previous transaction(s) during a financial year between the Company on the one hand and related party as a counter party exceed 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- ii. A transaction with a related party shall be deemed material if the Audit Committee renders such an opinion while considering such transaction for prior approval and/or omnibus approval for each financial year.

4. Dealing with Related Party Transactions

The Company will, establish appropriate internal processes from time to time for following purposes;

- i) for identification of related parties
- ii) for transactions with related parties
- iii) for determination as to whether a transaction is in the ordinary course of business, and on an arm's length basis
- iv) for monitoring "materiality" threshold, and
- v) other matters to ensure adherence to this policy.

5. Amendment

The Board may amend or modify this policy in whole or in part, at any time, provided however no amendment or modification shall be inconsistent with the applicable provisions of the Listing Agreement or any law for the time being in force.

6. Disclosures

The Policy on materiality of related party transactions and also on dealing with related party transactions will be disclosed on the Company's website (www.bgrcorp.com) and by way of web-link in the Annual Report of the Company.

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