

LANDMARC LEISURE CORPORATION LIMITED

L65990MH1991PLC060535

POLICY ON RELATED PARTY TRANSACTIONS

1. Introduction

Sub-clause VII(C) of Clause 49 of the Listing Agreement, (effective October 1, 2014) entered into by the Company with the Stock Exchanges, requires every listed company to formulate a policy on materiality of related party transactions and also in dealing with related party transactions.

The Board of Directors (the "Board") of Landmarc Leisure Corporation Limited (the "Company"), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee may from time to time review and recommend amendments to this policy to the Board. The Board may amend this policy from time to time.

This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

2. Objective of the Policy

The objective of this policy is to set out (a) the materiality thresholds for related party transaction and; (b) the manner of dealing with the transactions between the company and its related parties based on the Companies Act, 2013, clause 49 of the Listing Agreement and any other laws and regulations as may be applicable to the Company.

3. Definitions

"Arm's length Price ('ALP') means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

"Related Party", with reference to a company, shall have the same meaning as defined in section 2(76) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

"Related Party Transaction" (RPT) means –

- ❖ For the purpose of the Companies Act, 2013, specified transaction mentioned in clause (a) to (g) of sub section 1 of the Section 188;
- ❖ For the purpose of Clause 49, any transaction involving any Related Party which is a transfer of Resources, services or obligations between a company and a related party, regardless of what ever price is charged.

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A **"transaction"** with a related party shall be constructed to include single transaction or a group of transactions in a contract.

"Key Managerial Personnel" shall have the meaning ascribed to the term under Section 2(51) of the Companies Act, 2013 and shall mean:

- i. The Chief Executive Officer or the managing director or the manager;
- ii. The Company secretary;
- iii. The whole-Time Director;
- iv. The Chief Financial officer and
- v. Such other officer as may be prescribed under the Companies Act, 2013

4. Materiality Thresholds:

As per Clause 49 of the Listing Agreement the materiality threshold is 10% of the annual consolidated turnover of the company as per last audited financial statements of the company. The transaction beyond the prescribed limit requires shareholders' approval by way of special resolution.

5. Policy

5.1 Identification of Related Parties:

The Company Secretary, based on the declarations provided by the Directors and Key Managerial Personnel and also based on the corporate structure shall prepare a list of all persons who shall be considered as related parties with reference to the Company.

5.2 Identification of potential Related Party Transactions:

Each Director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. The Audit Committee would determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

5.3 Restrictions related to Related Party Transactions

All Related Party Transactions shall require prior approval of Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the Following conditions:

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- a) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with this policy and such approval shall be applicable in respect of transactions which are repetitive in nature.
- b) The Audit Committee shall satisfy itself on the need for such omnibus approval and that such approval is in the interest of the company.
- c) Such omnibus approval shall specify
 - i. the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,
 - ii. the indicative base price / current contracted price and the formula for variation in the price if any and
 - iii. such other conditions as the Audit Committee may deem fit;

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 Crore per transaction.

- d) Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the company pursuant to each of the omnibus approval given
- e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

Nothing contained in this Paragraph 5.3 shall apply to transactions entered into between the Company and its wholly owned subsidiary/ies whose accounts are consolidated with the Company and such consolidated accounts are placed before the shareholders of the Company at the general meeting for approval (Such transactions are hereinafter referred to as "**Exempted Transactions**").

6. Approval of the Board of Directors of the Company

As per the provisions of section 188 of the Companies Act, 2013, all kinds of Transaction specified under the said section and which are not in the ordinary course of business and at arm's length basis, are placed before the Board of Directors for their Approval.

7. Approval of the Shareholders of the Company

All the transaction with related parties meeting the materiality thresholds, laid down in clause 4 of the Policy, are placed before the shareholders for approval.

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For this Purpose, all entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

In addition to the above, all kinds of transaction specified under section 188 of the Companies Act, 2013 which (a) are not in the ordinary course of business and at arm's length basis; and (b) exceed the thresholds laid down in Companies (meeting of board and its power) Rules, 2014 are placed before the shareholders for its approval.

8. Related Party Transaction Not Approved Under This Policy

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all 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.

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

9. Disclosure

This Policy will be disclosed on the Company's website www.llcl.co.in and a web link thereto would be disclosed in the Annual Report of the Company. -
