



Tanmiah Food Company
Related Party Transaction Policy

This Policy is intended to ensure systematic identification, approval and/ or reporting of transactions as applicable, between Tanmiah and any of its Related Party in the best interest of Tanmiah and its stakeholders.

This policy aims to ensure systematic identification, approval and/ or reporting of transactions as applicable, between Tanmiah and any of its Related Party in the best interest of Tanmiah and its stakeholders. Provisions of this Policy are designed to govern the transparency in identification and approval process as well as disclosure requirements to ensure fairness in the conduct of Related Party Transactions, in terms of the applicable laws.

1. Definitions:

- a. **Arm's length** means a transaction where the relevant parties have dealt with each other as parties normally do when they are not related, so that the outcome of their dealing is a matter of genuine bargaining, and although not necessarily technically an open market price, the terms are those that might reasonably have been agreed between arm's length parties.
- b. **Related party transaction (RPT):** A related party transaction is a transaction that involves a Group entity providing a financial benefit to a related party.
- c. **Group:** Tanmiah Food Company, its fully owned subsidiaries, and associate companies.
- d. **Financial Benefit** includes giving a financial benefit indirectly through an interposed entity and does not require the payment of money. The legal definition of the term 'financial benefit' is broad, and the following are examples of giving a financial benefit:
 - giving or providing related party finance or property;
 - buying an asset from or selling an asset to a related party;
 - leasing an asset from or to a related party;
 - supplying services to or receiving services from a related party;
 - issuing or allocating securities, or granting an option to a related party;
 - agreeing to an arrangement that benefits the business operations of a related party; and
 - taking up or releasing an obligation of a related party.
- e. **Related parties of the Group include:**
 - I. an entity that controls the Company;
 - II. the directors (and their immediate family members) of the Company (and any nominee shareholder with whom they are associated), or any entity referred to in (a);
 - III. any entity which is controlled by a related party referred to in (a) or (b) (including a trust for which any Group entity acts in a trustee capacity);
 - IV. any entity which was a related party of the Company in the previous six months; or
 - V. an entity that believes it will become a related party in the future; and
 - VI. an entity acting in concert with a related party.
 - VII. Related parties of the Group as per IFRS (IAS 24)

A person or a close member of that person's family is related to a reporting entity if that person:

- I. has control or joint control over the group;

- II. has significant influence over the group; or
- III. is a member of the key management personnel of the group or of a parent of the group.

An entity is related to a reporting entity if any of the following conditions applies:

- I. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others).
- II. 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).
- III. Both entities are joint ventures of the same third party.
- IV. One entity is a joint venture of a third entity, and the other entity is an associate of the third entity.
- V. The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- VI. The entity is controlled or jointly controlled by a person identified in (a).
- VII. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- VIII. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related Party should be identified before transactions are entered into and their transactions should be transparent, adequately reported and approved as per applicable laws and regulations. This Policy shall supplement other policies of Tanmiah that may be in force for identification, approval and / or reporting of transactions with related persons.

2. Management of related party transactions:

- All related party transactions are required to be notified to the Audit Committee (AC). Based on the recommendation of the AC, the Board approves these transactions. The RPTs are approved subsequently by the Shareholders in the General Assembly. All such approval must be given in accordance with the requirements of the applicable corporate governance requirements.
- A checklist of factors to be taken into consideration in determining whether a transaction is on an arm's length is set out in Annexure to this Policy. This checklist is not exhaustive.
- The Company's Related Party Transactions Protocol sets out the details of the steps to be taken in identifying a proposed related party transaction and submitting the transaction for approval by the Board and Shareholders in the General Assembly as per applicable Corporate Governance Requirements.

3. Ascertainment of Transaction on arm's length basis

- The initiator of the proposed transaction which is covered under RPT shall examine the documents / information regarding the transaction before forming an opinion / arriving at a conclusion that the concerned transaction is on arm's length basis.
- In particular, any or all of the following may be examined: a) Whether the purported transaction between two related parties pursuant to an agreement / memorandum of understanding is in accordance with the directives / approval of the Government. b) Whether the terms of the transaction are in the ordinary course of business c) How the consideration price has arrived. d) Is it comparable with Internal and external industry benchmarks. e) Any other relevant documents / information which supports the contention that the transaction is on an arm's length basis.

Annexure: Factors for Determining whether Transaction is at "Arm's Length"

	Yes	No
1. Is the transaction a Pre-approved Transaction?		
2. How do the terms of the overall transaction compare with those of any comparable transactions on an arm's length basis?		
3. Are there any other options available to the Company? For example, has a process for tender occurred?		
4. Has any expert advice been received by the Company (including any professional or expert advice from appropriately qualified advisers)?		
5. Are the terms of the proposed transaction fair to the Company and on the same basis that would apply if the transaction did not involve a related party?		
6. Are the terms of the proposed transaction on terms that are less favourable to the related party than arm's length?		
7. Are there business reasons for the Company to enter into the proposed transaction?		
8. Will the proposed transaction impair the independence of the relevant director?		
9. What are the implications for the Company's financial position and performance?		
10. What is/was the nature and content of the deal process (include reference to any unique or unusual terms/content)?		