

## RELATED PARTY TRANSACTION POLICIES AND PROCEDURES

### **Policy**

iStreet Network Limited (“ISNL”) recognises that certain relationships can present potential or actual conflicts of interest and may raise questions about whether transactions associated with such relationships are consistent with ISNL and its stakeholders' best interests.

ISNL specifically ensure that certain Related Party Transactions (as defined below) are managed and disclosed in accordance with the strict legal and accounting requirements. Accordingly, this policy has been adopted by ISNL's Board of Directors to define the procedures by which Related Party Transactions must be reported, reviewed, approved and managed. The Board has determined that the Audit Committee (the “Committee”) is best suited to review all Related Party Transactions.

### **Meaning of Related Party Transactions**

Related party transaction is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged or not.

### **Meaning of Related Party**

A ‘related party’ is a person or entity that is related to the company. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and/or operating decisions and includes the following:

1. A person or a close member of that person’s family is related to a company if that person:
  - (a) is a related party under Section 2(76) of the Companies Act, 2013; or
  - (b) has control or joint control or significant influence over the company; or
  - (c) is a key management personnel of the company or of a parent of the company; or
  
2. An entity is related to a company if any of the following conditions applies:
  - (a) The entity is a related party under Section 2(76) of the Companies Act, 2013; or
  - (b) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others); or
  - (c) 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); or
  - (d) Both entities are joint ventures of the same third party; or

- (e) One entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
- (f) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company; or
- (g) The entity is controlled or jointly controlled by a person identified in (1).
- (h) A person identified in (1)(b) has significant influence over the entity (or of a parent of the entity);

“Control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

### **Dealing with Related Party Transactions**

#### Reporting of Related Party Transactions

All potential Related Party Transactions will be promptly reported to Company Secretary. The potential Related Party Transaction will then be analysed by the Company Secretary in consultation with the management to determine whether the transaction or relationship is a Related Party Transaction requiring compliance with this policy and will be referred to the Audit Committee.

The Audit Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

1. Whether the terms of the Related Party Transaction are fair to the Company and would apply on the same basis if the transaction did not involve a Related Party;
2. Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
3. Whether the Related Party Transaction would impair the independence of an otherwise independent director or nominee for director;
4. Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification would be detrimental to the Company; and
5. Whether the Related Party Transaction would present an improper conflict of interest for any director, nominee for director or Executive Officer of the Company, taking into account the size of the transaction, the overall financial position of the director, nominee for director, Executive Officer or other Related Party, the direct or indirect nature of the director's, nominee's, Executive Officer's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Committee deems relevant.

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

- i. Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- ii. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

**Related Party Transactions 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 prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all of 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. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

This Policy will be communicated to all operational employees and other concerned persons of the Company.

Sd/-

Signed

Effective Date:18.09.2014