

HEXAWARE TECHNOLOGIES LIMITED

Related Party Transaction Policy

1. Background / Introduction / Objective

The Board of Directors of Hexaware Technologies Limited (the “Company”) on February 11, 2020 adopted the revised policy on materiality of Related Party Transactions and on dealing with Related Party Transactions (“Policy”) in view of various amendments in the applicable provisions of Companies Act, 2013 read with rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“ Listing Regulations”). The Audit Committee and / or the Board shall review this policy at least once every three years and / or amend this policy from time to time, as required.

2. Definitions

“Act” means the Companies Act, 2013, for the time being in force and as amended from time to time.

“Arm’s length transaction” means a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.

“Audit Committee or Committee” means “Audit Committee” constituted by the Board of Directors of the Company in accordance with section 177 of the Companies Act, 2013 (the “Act”) and Regulation 18 of the Listing Regulations.

“Board of Directors” or “Board” means the Board of Directors of Hexaware, as constituted in accordance with applicable laws/regulations.

“Material related party transactions” means transaction(s) defined as Material Related Party Transaction(s) if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the Company, whichever is lower.

Transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

“Ordinary Course of Business” means a transaction which is carried out in the normal course

of business envisaged in accordance with the Memorandum of Association, Articles of Association or any other applicable factors like market conditions, industry practices etc.

“Policy” means Related Party Transaction Policy

“Related Party” means a person or an entity which

- i) is a related party under Section 2(76) of the Companies Act, 2013; or
- ii) Such entity is a related party under the applicable accounting standards”
- iii) As defined in Regulation 2(z)(b) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

“Related Party Transaction” (‘RPT’) means a transaction envisaged as a related party transaction under the Companies Act, 2013 or under SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015.

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 , as amended from time to time.

3. Review and approval of Related Party Transaction

1. All the transactions which are identified as RPT and “subsequent material modifications” as defined under the SEBI Listing Regulations should be pre-approved by the Audit Committee before entering into such transaction except (i) related party transactions between the Company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval; and (ii) related party transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
2. The Audit Committee shall consider all relevant factors while deliberating the related party transactions for its approval. The Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the listed entity
3. The Audit Committee may grant omnibus approval for related party transactions which are repetitive in nature and shall lay down criteria/conditions in accordance with Regulation 23(3) of SEBI Listing Regulations and such other conditions as it may consider necessary in line with this policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

4. Only those members of the audit committee, who are independent directors, shall approve related party transactions
5. The 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 approvals given.
6. All RPTs which are not in Ordinary Course of Business and not at an Arm's Length basis will additionally require prior approval of Board of Directors. Where any director is interested in any contract or arrangement with a Related Party, such director shall not participate in the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.
7. A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed both before the Audit Committee and the Board for ratification.
8. All Related Party Transactions in excess of the limits prescribed under the Companies Act, 2013, and the SEBI Listing Regulations, as may be applicable, which are not in the ordinary course of business or not an Arms' length transaction shall also require the prior approval of the shareholders through special resolution and no member of the Company shall vote on such special resolution, if such member is a related party.
9. All material related party transaction or subsequent material modifications as defined Regulations 23 of the Listing Regulations, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Companies Act 2013, it shall require shareholders' approval by a resolution. All entities falling under the definition of related parties shall not vote to approve the relevant transaction.

4. Disclosures

The Company shall disclose the particulars of contracts or arrangements entered with the Related Parties in such form and manner as may be required under the provisions of the Act and rules made thereunder and the SEBI Listing Regulations.

5. Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.