

## Cyber Media Research & Services Limited

### POLICY ON RELATED PARTY TRANSACTIONS

#### **1. Background**

- A. Cyber Media Research & Services Limited (the “Company”), given the size and scale of its operations and global presence, and the fact that the Company has subsidiaries, Indian and foreign, engaged in providing digital marketing services, and in the normal course of its business, has occasions to engage in Related Party Transactions (RPTs). As a part of the Company’s philosophy of adhering to highest ethical standards, transparency and accountability in conduct of its business and in the interest of maintaining and adhering to an appropriate governance framework, the Company has historically mandated and ensured that such Related Party Transactions should be undertaken only in the ordinary and normal course of business and at arm’s length such that relationship with the Related Party does not influence, in any manner whatsoever, the pricing and other terms and conditions of such transactions by the Company with Related Parties. This has, over time, been internalized by management personnel dealing with such decisions and has become a normal way of working within the Company.
- B. With the aforesaid intent, following Regulatory changes have been carried out in recent past:
- (i) Section 188 of the Companies Act, 2013 classifies certain kinds of transactions as RPTs and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 2(76) of the SEBI LODR) Amendment Regulations, 2018 (“Listing Regulations”), require that such Related Party Transactions shall require approval of the Audit Committee of the Board.
  - (ii) Furthermore, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), requires each listed company to formulate a Policy to govern such Related Party Transactions, apart from stipulating that Audit Committee should **pre-approve** such RPTs. In order to provide operational flexibility, the Listing Regulations do envisage, subject to certain conditions, Omnibus Approval by Audit Committee instead of pre-approval of each and every transaction.
  - (iii) The Companies Act, 2013 and / or the Listing Regulations provide for certain kinds of Related Party Transactions to be pre-approved by shareholders. When the RPT is in the ordinary course of business and at arm’s length but **crosses the materiality threshold of value**.
- C. In the light of the above developments and regulatory changes, the Company has decided to formally document and articulate its Policy for entering into Related Party Transactions, by way of a formal document, which is essentially a reiteration of what the Company has historically practiced as a part of its governance framework, suitably adapted to meet specific Regulatory requirements.

#### **2. Objective of the Policy on RPTs**

- A. The primary objective of the Policy is to ensure highest standard of Corporate Governance, transparency, probity and ethical standards in all dealings of the Company with Related Parties.
- B. To ensure compliance with legislative and regulatory provisions under the Companies Act, 2013 and the Listing Regulations governing RPTs, both in letter and spirit

#### **3. Policy on RPTs**

- A. The Company, its directors, promoters, Key Management Personnel, and operating management shall ensure that –

*Approved and adopted by the Board on 17.03.2022*

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- (I) All RPTs are at arm's length and are undertaken in the ordinary course of business i.e. the relationship with the transacting party should not confer on the Company or the transacting party any undue benefit / advantage or undue disadvantage / onerous obligations, that will be unacceptable if such transacting party was not a related party and / or the Company will not enter into a transaction which it will ordinarily not undertake.
  - (II) There is no "conflict of interest" while negotiating and arriving at terms of such Related Party Transactions.
- B. The Company believes that a fair and transparent mechanism to govern and regulate such RPTs is important and is an integral part of its overall governance framework and should never ever be compromised. The principles underlying this framework should be simple to understand / comprehend and easy to operationalize the Company's operating decisions. Apart from being a compliance requirement, this will also ensure adherence to the Company's values of transparency, honesty, integrity, ethical conduct, which have been the foundation of the Company's reputation and the trust and confidence that it enjoys in the society.
- C. Bearing in mind the provisions of the Companies Act, 2013 and the obligations cast by the Listing Regulations in respect of RPTs, the Company proposes to follow the policy of adhering to stricter of the two or more onerous requirements prescribed by the legislation or the Listing Regulations, from time to time.
- D. For the purpose of this Policy:
- (a) The expression "Arm's length transaction" shall mean 'a transaction between two related parties that is conducted as if they were unrelated and that there is no conflict of interest' (Exp. (b) to Section 188, Companies Act, 2013).
  - (b) To understand the expression "ordinary course of business", which is not a defined term under the statute, amongst other relevant considerations, due regard shall be provided to the parameters stipulated by Audit Committee for this purpose.
  - (c) "Material Transaction", a transaction with a related party shall be considered material of the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual turnover or twenty percent of the net worth of the company as per the last audited financial statements of the company, whichever is higher. {Regulation 23 of the Listing Regulations}

In case of any doubt, the management shall seek advice on both these aspects - "arm's length" and "ordinary course of business" - from the Audit Committee. Audit Committee's decision on these aspects shall be final. Audit Committee, could seek external advice to assist in decision making on these aspects or for that matter in dealing with any issues connected with RPTs.