



Related Parties Transactions Policy

Objective:

To establish guidelines for identifying, reporting, and approving related party transactions, ensuring transparency, and compliance with regulatory requirements.

Scope:

This SOP applies to all employees, officers, and directors of the company involved in related party transactions.

Responsibilities:

Board of Directors: Responsible for reviewing, approving, and disclosing related party transactions.

Management: Identifies, discloses, and provides information on related party transactions.

Procedure:

1. Identification of Related Parties:

Definition of Related Parties: Define who qualifies as a related party (e.g., affiliates, significant shareholders, family members of officers).

Regular Updates: Maintain an updated list of related parties.

2. Disclosure and Approval:

Initial Disclosure: Related parties must disclose any material transactions with the company.

Review and Approval: Submit related party transactions for review and approval.

Conflict of Interest: Any employee or officer involved in a related party transaction must declare a potential conflict of interest.



3. Review and Approval Process:

Board Approval: The Board of Directors approves the transaction, ensuring it benefits the company and its shareholders.

Documentation: Document the rationale for approval or rejection.

4. Monitoring and Reporting:

Quarterly Reporting: Maintain a register of related party transactions, updated quarterly.

Materiality Threshold: Define a materiality threshold for reporting to ensure only significant transactions are disclosed.

5. Consequences of Non-compliance:

Penalties: Non-compliance with related party transaction policies may result in disciplinary actions or legal penalties.

Restitution: Any related party transactions found to be unfair or prejudicial to the company may require restitution.

6. Recordkeeping:

Document Retention: Maintain records related to related party transactions for at least 7 seven years.

Access: Ensure these records are accessible to authorized personnel.

7. Regulatory Compliance:

Stay Informed: Regularly review and update the SOP to remain in compliance with changing regulations.

8. Review and Audit:

Annual Audit: Conduct an annual audit of related party transactions to ensure adherence to the SOP.



9. Continuous Improvement:

Feedback: Encourage feedback from employees, directors, and auditors to improve the effectiveness of the SOP.

10. Document Templates:

Create standard forms and templates for disclosure, approval, and reporting of related party transactions.

11. Communication:

Regularly communicate the related party transaction policy to employees and related parties.

12. Whistleblower Protection:

Ensure a whistleblower protection policy is in place for employees to report any concerns regarding related party transactions.