

POLICY FOR RELATED PARTY TRANSACTIONS OF WANBURY LIMITED

1. Preamble

The Board of Directors of the Wanbury Limited ("the Company") has adopted the following Policy and procedure with regard to Related Party Transactions ("RPT"). The policy envisages the procedure governing RPT's required to be followed by the Company to ensure compliance with the Laws and Regulations. The Audit committee will review the same from time to time and propose the amendment required in the policy to the Board of Directors.

2. Purpose

Security Exchange Board of India (SEBI), Circular dated 17th April 2014 and 15th September, 2014, has amended the clause 49 of listing agreement entered into by the company with the stock Exchanges. The Amended clause 49 requires all listed companies to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. This policy has been framed for complying with above requirement.

3. Definitions

'Act' means Companies Act, 2013 and Rules thereunder.

"Arm's length transaction" means a transaction between two Related Parties that is conducted as if they were unrelated, so that there is no conflict of interest.

"Audit Committee or Committee" means Committee of Board of Directors of the Company constituted under provisions of Clause 49 of the Listing agreement and Section 177 of the Companies Act, 2013.



“Board” means Board of Directors of the Company.

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

“Key Managerial Personnel” means Key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) the Chief Executive Officer or the Managing Director or Manager ;
- (ii) the Whole-time Director;
- (iii) the Company Secretary;
- (iv) the Chief Financial Officer and
- (v) such other officer as may be prescribed

“Material Related Party Transaction” means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds the limits set out below:

Category of Transactions	Limits
Sale, purchase or supply of any goods or materials	10% of turnover or Rs. 100 crore, whichever is lower
Selling or otherwise disposing of, or buying, property of any kind	10% of net worth or Rs. 100 crore, whichever is lower
Leasing of property of any kind	10% of net worth or 10% of turnover or Rs. 100 crore, whichever is lower
Availing or rendering of any services	10% of turnover or Rs 50 crore, whichever is lower



Category of Transactions	Limits
Such Related Party's appointment to any office or place of profit in the company, its subsidiary company or associate company	At a monthly remuneration exceeding Rs 2.5 lakh
Underwriting the subscription of any securities or derivatives thereof, of the Company	1% of net worth

“**Ordinary course of business**” means routine businesses of the Company and usual transactions and practices of Business and would include activities which are incidental to or related to the businesses of the Company.

“**Policy**” means Related Party Transaction Policy.

“**Related Party**” means related party as defined in Clause 49 of the Listing Agreement which is as follows:

- (i) such entity 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."

“**Related Party Transaction**” means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a Company and a related party, regardless of whether a price is charged.



Explanation: A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract.

"Relative as per Section 2 (77) of the Companies Act, 2013", with reference to any person, means anyone who is related to another, if—

- (i) they are members of a Hindu Undivided Family;
- (ii) they are husband and wife; or
- (iii) Father including step-father.
- (iv) Mother including step-mother.
- (v) Son including step-son.
- (vi) Son's wife.
- (vii) Daughter.
- (viii) Daughter's husband.
- (ix) Brother including step-brother;
- (x) Sister including step-sister;

4. Identification of Potential Related Party Transactions

Each Director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

Each Director and Key Managerial Personnel shall make an annual declaration of list of related parties, as defined above, to the Company on the last of the month ending before the financial year and this declaration shall be placed before the Audit Committee and the Board of Directors at their first meeting held at the succeeding financial year. Any change in the list of related parties shall be intimated by the



Directors and Key Managerial Personnel by way of a fresh declaration to the Company within 7 days of such change.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

5. Prohibitions related to Related Party Transactions

All Related Party Transactions shall require prior approval of Audit Committee. Such approval may also be obtained through circular resolution. Further, all Material Related Party Transactions shall require approval of the Board as well as shareholders through special resolution and the Related Parties shall abstain from voting on such resolutions provided no approval of the shareholders is required if the following conditions are satisfied:

- 1) Transactions entered into between a holding 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.
- 2) Transactions fulfilling all the following conditions:
 - a) It is in the Ordinary Course Of Business;
 - b) It is at Arm's length
 - c) The value does not exceed the limits specified by the Companies Act, 2013 or Rules made thereunder.

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6. Omnibus Approval by the Audit Committee

All Related Party Transactions shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:

- a. Such approval shall be applicable in respect of transactions which are repetitive in nature.
- b. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- c. Such transactions are entered in the Ordinary Course of Business and are at Arm's length;
- d. Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit;

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 Crore per transaction.

- e. Audit Committee shall review, atleast on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.
- f. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year".



7. Review and Approval of Related Party Transactions

Related Party Transactions will be referred to the next regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee or the Directors of the Board who has a potential interest in any Related Party Transaction shall not be present at the meeting during discussions on the subject matter and shall recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.

To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business rationale of the transaction, justification on arms' length / in the ordinary course of business and the benefits to the Company and to the Related Party, and any other relevant matters like:

- The name of the related party and nature of relationship;
- The nature, duration of the contract and particulars of the contract or arrangement;
- The material terms of the contract or arrangement including the value, if any;
- Any advance paid or received for the contract or arrangement, if any;
- The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract.
- Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
- Any other information relevant or important for the Board to take a decision on the proposed transaction.

In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

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- Whether the terms of the Related Party Transaction are **fair and on arms length basis** to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- Whether there are any business reasons / rationale for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- Whether the Related Party Transaction would **affect the independence of an independent Director**;
- Whether the proposed transaction includes **any potential reputational risk issues** that may arise as a result of or in connection with the proposed transaction;
- 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 is allowed and would be detrimental to the Company; and
- Whether the Related Party Transaction would present an improper conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director, Executive Officer or other Related Party, the direct or indirect nature of the Director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.
- If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such



matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

8. Related Party Transactions not Previously Approved

Where any contract or arrangement is entered into by a director or any other employee of the Company with a related party, without obtaining the consent of the Board or approval by a special resolution in the general meeting, where required and if it is not ratified by the Board or, as the case may be, by the Shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a related party to any director, or is authorized by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

The Company may proceed against a director or any other employee who had entered into such contract or arrangement in contravention of this Policy for recovery of any loss sustained by it as a result of such contract or arrangement and shall take any such action, it deems appropriate.

9. Exemptions

Nothing contained in this policy shall apply to any contract or arrangement-

- (i) Service availed in a professional capacity from body corporate/person.
- (ii) The following transaction(s) undertaken by the Independent Director with the Company or its holding, subsidiary, or associate company or their promoters or directors:



- a) receipt of remuneration by way of sitting fees;
- b) re-imbursement of expenses for attending board and other meetings;
- c) any profit related commission as approved by members.

10. Registers & Disclosures

The Company shall keep and maintain a register, maintained physically or electronically, as may be decided by the Board of Directors, giving separately the particulars of all contracts or arrangements to which this policy applies and such register is placed/taken note of before the meeting of the Board of directors.

Every director or key managerial personnel shall, within a period of thirty days of his appointment, or relinquishment of his office in other Companies, as the case may be, disclose to the Company the particulars relating to his/her concern or interest in the other associations which are required to be included in the register maintained.

The register to be kept under this section shall also be produced at the commencement of every Annual General Meeting of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting. The register shall be preserved permanently and shall be kept in the custody of the Company Secretary /Chief Financial Officer of the Company or any other person authorized by the Board for the purpose.

11. Disclosure

Every Related Party Transactions or contract or arrangement entered shall be disclosed in the following manner:



- (i) In the Board's report to the shareholders along with the justification for entering into such contract or arrangement;
- (ii) Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance; and
- (iii) The Company shall disclose the policy on dealing with Related Party Transactions on its website and also a web link thereto shall be provided in the Annual Report.

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