

Policy on materiality of Related Party Transactions and dealing with Related Party Transactions

TITLE:

This Policy shall be called '**Policy on materiality of Related Party Transactions and dealing with Related Party Transactions**'.

OBJECTIVE:

Related Party Transactions have been one of the major areas of focus for the corporate governance reforms being initiated by Indian legislature.

In compliance with the requirements of the Corporate Governance norms relating to related party transactions mandated under the Companies Act, 2013 & Rules made thereunder (collectively known as "**Act**"); Regulation 23 & other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and Industry Standards on Minimum Information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions (issued by the Industry Standard Forum as per SEBI Circular dated 26th June, 2025) ("**Industry Standards**"), Wockhardt limited ("**the Company**") has formulated this policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions;

DEFINITIONS:

"**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**" means the audit committee constituted by the Board of Directors of the Company in accordance with applicable laws, including the Listing Regulations and the Companies Act, 2013.

"**Board**" means the Board of Directors of Wockhardt Limited.

"**Company**" means Wockhardt Limited.

"**Material Related Party Transaction**" means a transaction with a Related Party where the transaction(s) to be entered into individually or taken together with previous transactions with a Related Party during a financial year, exceeds Rupees One Thousand Crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

Notwithstanding the above, a 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 listed entity as per the last audited financial statements of the listed entity.

"**Ordinary course of business**" means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association.

"**Policy**" means this Policy, as amended from time to time.

"**Ratification**" means post facto approval of (i) a Related Party Transaction or (ii) subsequent Material

Modification in the terms of Related Party Transactions already approved by the Audit Committee or the Board of Directors or any other authority of the Company.

“Related Party” in relation to the Company means a party related with the Company in any of the ways as are laid down in section 2(76) of the Companies Act, 2013 or Regulation 2(1)(zb) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

“Related Party Transaction” or “RPT” means a transaction defined as related party transaction under the Act or Listing Regulations.

“Material Modification” in relation to any Related Party Transaction or any Contract for Related Party Transaction already approved by the Audit Committee or Board of Directors or Shareholders of the Company, as the case may be means any change or modification in the transaction or contract which results in change in the overall value of the approved transaction or contract by an amount that exceeds twenty percent of the original transaction amount.

For the purpose of determining Material Modification, any change in contract/ transaction value that has accrued on account of reimbursement of expenses and change in rate of applicable taxes shall be excluded.

REVIEW AND APPROVAL OF RELATED PARTY TRANSACTION (RPT):

A. Prior approval of the Audit Committee of the Company shall be required (*only those members of the Audit Committee, who are independent directors, shall approve related party transactions*) for the following transactions:

1. All RPTs entered into by the Company.
2. Any subsequent material modification in the RPT, which has been earlier approved by the Audit Committee.
3. RPT to which the subsidiary of the Company is a party but the Company is not a party, and value of such RPT whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.
4. Remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, who is part of promoter or promoter group, shall require approval of the audit committee provided that the same is not material related party transaction in terms Listing Regulations.

The approval of the Audit Committee can be granted by way of a circular resolution.

B. Prior consent of the Board and the Shareholders shall be required in the following Related Party Transactions (RPT):

1. RPT entered into by the Company is not in its ordinary course of business and/ or are not deemed to be on an arms’ length basis, if any;
2. All material RPT i.e. RPT to be entered into individually or taken together with previous transactions with a Related Party during a financial year, exceeds Rupees One Thousand Crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

3. Any subsequent material modification to the material RPT, which has been earlier approved by the Shareholders.

The procedure as specified in the Act and Listing Regulations shall be followed in obtaining approval of the Board and Shareholders.

C. The Audit Committee may, from time to time, grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiaries subject to the following conditions:

1. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;
2. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
3. Such omnibus approval shall, *inter alia*, specify the criteria, period, maximum amount, base price/variation formula, etc., as specified in the Industry Standards;

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 rupees one crore per transaction;

4. Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company or its subsidiaries pursuant to each of the omnibus approval given; and
5. Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the same."

D. Ratification of Related Party Transactions by the Audit Committee:

The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

1. the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
2. the transaction is not material in terms of the provisions of Regulation 23 (1) of Listing Regulations;
3. rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
4. the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of Regulation 23 (9) of Listing Regulations;
5. any other condition as specified by the audit committee:

A transaction once ratified by the competent authority will be treated as approved from the inception of the transaction.

Any failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

E. Minimum Information to be provided to the Audit Committee for approval (including ratification) of RPTs.

Effective from 1st September, 2025, any Fresh Approval/Omnibus approval or any material modification to an existing Related Party Transactions which was approved by the Audit Committee prior to the applicability of the Industry Standards shall be treated as a new proposal and must comply with the minimum information and approval processes and specified format under the Industry Standards.

1. Transactions exceeding ₹ 1 Crore during a Financial Year but not exceeding the lower of 1% of Consolidated Turnover or ₹ 10 crore

For transaction with a related party, whether individually or taken together with previous transaction(s) during a financial year (including transaction(s) which are approved by way of ratification), do not exceed 1% of annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity or Rupees Ten Crore, whichever is lower, the listed entity shall provide 'Minimum information to the Audit Committee for approval of Related Party Transactions' specified in Annexure-13A of the SEBI Master Circular dated November 11, 2024 ("Master Circular") as in force and as may be revised or superseded from time to time.

2. Transaction exceeding the lower of 1% of Consolidated Turnover or ₹ 10 crore during a financial year

- (i) The information presented to the Audit Committee for review/approval of any proposed Related Party Transaction must include the minimum information specified under Part A, Part B and Part C (as applicable) of Para 4 of the Industry Standards.
- (ii) A certificate from Managing Director & Chief Financial Officer confirming that the terms of the Related Party Transactions proposed to be entered are in the interest of the Company.
- (iii) A copy of valuation report or other report issued by an external party, if any.
- (iv) If any redaction of confidential info is made in disclosures, the Audit Committee must certify that the redacted version still contains sufficient information for decision making.
- (v) Such other additional information as may be required by the Audit Committee, which is deemed necessary and reasonable, to evaluate the proposed RPT.

F. Minimum Information to be provided to the shareholders for approval of Material RPTs.

1. Transactions exceeding ₹ 1 Crore during a Financial Year but not exceeding the lower of 1% of Consolidated Turnover or ₹ 10 crore

For transaction with a related party, whether individually or taken together with previous transaction(s) during a financial year (including transaction(s) which are approved by way of ratification), do not exceed 1% of annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity or Rupees Ten Crore, whichever is lower, the listed entity shall provide 'Minimum information to the Audit Committee for approval of Related Party Transactions' specified in Annexure-13A of the SEBI Master Circular dated November 11, 2024 ("Master Circular") as in force and as may be revised or superseded from time to time.

2. Transaction exceeding the lower of 1% of Consolidated Turnover or ₹ 10 crore during a financial year

The explanatory statement annexed to the notice to shareholders for approval of any proposed Related Party Transaction, shall include disclosures as specified in Para 5 of the Industry Standards, including the following:

- i. The information placed before the Audit Committee to the extent applicable.
- ii. Justification of why the proposed Related Party Transaction is in the interest of the Company, basis of determination of price and other material terms and conditions of RPT.
- iii. Statement that the Audit Committee has reviewed the certificates provided by the Managing Director and CFO.
- iv. Disclosure that the material RPT or any material modification thereto, has been approved by the Audit Committee and the Board of Directors recommends the proposed transaction to the shareholders for approval.
- v. Copy/web link/QR code of valuation report or other reports by external party, if any.
- vi. Any other material information relevant to shareholders' decision.
- vii. The Company may make available a redacted version of information or reports as listed above. Such redacted version shall be approved by the Audit Committee and the Board of Directors who shall affirm that, in its assessment, the redacted disclosures still provides all the necessary information to the public shareholders for informed decision making

VOTING:

1. In case of Related Party Transactions requiring Board's or Audit Committee's approval, any Director or Member, as the case may be, who is interested in RPT will abstain from discussion and voting on the subject matter of the resolution relating to such Transaction.
2. In case of Related Party Transactions requiring shareholders resolution, no Related party shall vote to approve such resolution whether the entity is a related party to the particular transaction or not.

GENERAL EXEMPTIONS:

There is no approval required for transactions entered into between

1. the Company and its wholly owned subsidiary(ies) whose accounts are consolidated with the Company and placed before the shareholders of the Company for approval.
2. two wholly-owned subsidiaries of the Company, whose accounts are consolidated with Company and placed before the shareholders at the general meeting for approval.

COMMENCEMENT:

The amended Policy shall be effective from **1st September, 2025**.

AMENDMENTS:

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

This Policy on Related Party Transactions shall be governed by the Companies Act, 2013 read with Rules made thereunder, Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable Indian Accounting Standards and such other statutes as may be applicable from time to time.

If, due to subsequent changes in the Act or/and Regulation, a particular Standard or any part thereof becomes inconsistent with the Act or/and Regulation, the provisions of the Act or/and Regulation shall prevail.

VERSION HISTORY

Version. No.	Approved by	Approval date	Effective date
1.	Board of Directors	12 th August, 2014	1 st October, 2014
2.	Board of Directors	28 th January, 2019	1 st April, 2014
3.	Board of Directors	27 th January, 2022	1 st April, 2022
4.	Board of Directors	13 th November, 2024	14 th November, 2024
5.	Board of Directors	3 rd November, 2025	1 st September, 2025