

WARREN TEA LIMITED

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS **AND DEALING WITH RELATED PARTY TRANSACTIONS**

A. SCOPE AND PURPOSE OF THE POLICY

The Board of Directors of Warren Tea Limited has adopted the following policy and procedures with regard to Related party Transactions. The Audit Committee will review and may amend this policy from time to time.

This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company including the Listing Agreement with the Stock Exchanges and the Companies Act, 2013 and is framed accordingly.

The Policy intends to ensure proper approval and reporting of transactions between the Company and Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. Materiality of a transaction with a Related Party would be in accordance with the relevant provisions of Clause 49 of the Listing Agreement.

B. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

1. The Company shall not enter into any transaction with a Related Party without prior approval of the audit Committee.
2. The definition of transactions and Related Party shall be in accordance with the provisions of Companies Act, 2013, the Rules framed thereunder, the applicable Accounting Standard and Clause 49 of the Listing Agreement.
3. In the event any such contract or arrangement is not in the ordinary course of business and/or at arm's length, the Company shall comply with the provisions of the Companies Act, 2013 and the Rules framed thereunder and obtain approval of Audit Committee, the Board or shareholders, as may be applicable, for such contract or arrangement.
4. The Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party transactions in accordance with Clause 49 of the Listing Agreement.

5. In deciding grant of approval to Related Party Transactions, the Audit Committee and/or Board will consider amongst others the following :
 - i) The existence of any compelling business reasons for the Company to enter into the transaction.
 - ii) Fairness and on arm's length basis of the Related Party Transaction to the Company.
 - iii) If prior intimation was given to the Company about the transaction before its commencement and if not, why prior approval was not sought and whether ratification would be detrimental to the Company.
 - iv) If the Related Party Transaction affects independence of an Independent Director or invokes conflict of interest for any Director or Key Managerial Personnel.
6. 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 approval given. Such omnibus approval shall be valid for a period not exceeding one year and shall required fresh approvals after the expiry of one year.
7. Details of all material transactions with Related Parties shall be disclosed quarterly alongwith the Compliance Report on Corporate Governance.

C. EXCEPTIONS

The following Related Party Transactions shall not require approval-

- 1) Payments made to a Director in connection with the discharge of his duties whether by way of remuneration or reimbursement of expenses incurred in connection with and for the Company's business.
- 2) Any payments received by a Related Party in connection with ownership of any security issued by the Company where such payment is made pro rata to all holders of such security.

D. TRANSACTIONS NOT APPROVED

Whether a transaction is considered not to be in the best interests of the Company, the same shall not be approved by the Audit Committee and/or Board.

Where a transaction has already been entered into and the Board does not ratify it, the Audit Committee and/or Board may pass such directions in this regard as may be considered appropriate.