

SURVIVAL TECHNOLOGIES LIMITED
(Formerly known as Survival Technologies Private Limited)

POLICY ON RELATED PARTY TRANSACTIONS

Approved by the Board of Directors on December 15, 2022

SURVIVAL TECHNOLOGIES LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

1. INTRODUCTION

Sub-regulation 1 of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires listed entity to formulate a policy on materiality of related party transactions and on dealing with related party transactions including clear threshold limits duly approved by the Board of Directors (the “Board”) at least once every three years and updated accordingly.

The Board of Survival Technologies Limited (the “Company”), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee may from time to time review and recommend amendments to this policy to the Board. The Board may amend this policy from time to time.

This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

2. POLICY OBJECTIVE

The objective of this policy is to ensure proper approval and reporting of transactions between the Company and its Related Parties.

3. DEFINITIONS

3.1 “**Audit Committee**” or “**Committee**” means the committee constituted by the Board of Directors of the Company, from time to time, under the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

3.2 “**Board of Directors**” or “**Board**” means the Board of Directors of Survival Technologies Limited, as constituted from time to time.

3.3 “**Company**” means Survival Technologies Limited

3.4 “**Key Managerial Personnel**” shall have the meaning ascribed to the term under Section 2(51) the Companies Act, 2013 and shall mean:

- (i) the Chief Executive Officer or the Managing Director or the manager;
- (ii) the Company Secretary;
- (iii) the Whole-time Director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act, 2013.

3.5 **“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 rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower or such limits as may be prescribed either in the Companies Act, 2013 or the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 as amended from time to time.

3.6 **“Material Modification”** to a Related Party Transaction shall mean any change or alteration to the existing Related Party Transaction by an increase in consideration over 20% or an extension of time over 2 years of the Contract / arrangement as approved by Audit Committee or Board of Directors or Shareholders of the Company.

3.7 **“Policy”** means this policy on Related Party Transactions as amended from time to time

3.8 **“Related Party”** means a related party as defined under sub-section (76) of section 2 of the Act or under the applicable accounting standards:

Provided that:

(a) any person or entity forming a part of the promoter or promoter group of the listed entity; or

(b) any person or any entity, holding equity shares:

(i) of twenty per cent or more; or

(ii) of ten per cent or more, with effect from April 1, 2023;

in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Act, at any time, during the immediate preceding financial year;

shall be deemed to be a related party:”

3.9 **“Related Party Transaction”** shall have the same meaning as specified under the Act and Rules made thereunder and Regulation 2(1)(zc) of the SEBI LODR, as amended and shall mean a transaction involving a transfer of resources, services or obligations between:

a. the Company or any of its subsidiaries on the one hand and a related party of the Company or any of its subsidiaries on the other hand;

b. the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries with effect from April 1, 2023, regardless of whether a price is charged and a transaction with a related party shall be construed to include a single transaction or a group of transactions in a contract.

Following shall not be considered RPTs of the Company in terms of SEBI LODR:

- a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- b) payment of dividend by the Company;
- c) subdivision or consolidation of securities by the Company;
- d) issuance of securities by way of a rights issue or a bonus issue and
- e) buy-back of securities

3.9 “**Relative**” means relative as defined under under Section 2(77) of the Companies Act, 2013 read with rules prescribed thereunder.

4. **POLICY**

4.1. Identification of Related Parties:

Every Director and Key Managerial Personnel of the Company shall be responsible for providing a list of his / her Related Parties as defined under Section 2(76) of the Companies Act, 2013 to the Company Secretary of the Company on an annual basis.

Every Director and the Key Managerial Personnel shall be responsible for updating the Company Secretary of any change in the above list immediately upon him/her becoming aware of such change.

4.2. Identification of Related Party Transactions:

Each Director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any 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. The Audit Committee would determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

4.3. Omnibus approval of Related Party Transactions

All Related Party Transactions shall require prior approval of Audit Committee. Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions.

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. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with this policy and such approval shall be applicable in respect of transactions which are repetitive in nature.
- b. The Audit Committee shall satisfy itself on the need for such omnibus approval and that such approval is in the interest of the company;
- c. 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. 1,00,00,000 (Rupees One Crore Only) per transaction.

- d. 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.
- e. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

Further, all Material Related Party Transactions shall require approval of the shareholders through ordinary resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Regulation 23 of the Regulations requires the Company to provide materiality thresholds for transactions beyond which the shareholders' approval will be required. The Company has fixed its materiality thresholds at the level prescribed under explanation to Regulation 23(1) of the Regulations as under:

- In case of Transactions involving payments made to a Related Party with respect to brand usage, if it exceeds Five percent (5%) of the annual consolidated turnover of the Company as per its last audited financial statements.
- In case of any other Transaction, whether entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or ₹ 1,000 crore, whichever is lower.

Nothing contained in this Paragraph 4.3 shall apply to transactions entered into between the Company and its wholly owned subsidiary/ies whose accounts are consolidated with the Company and such consolidated accounts are placed before the shareholders of the Company at the general meeting for approval (such transaction are hereinafter referred to as "Exempted Transactions").

For the purpose of this Paragraph 4.3, all entities falling under the definition of related parties shall not vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not.

4.4. Review and Approval of Related Party Transactions by Audit Committee

All Related Party Transactions, including Material Related Party Transaction but excluding Exempted Transactions, will be put to the Audit Committee for its review and prior approval in a meeting. Any member of the Committee who has a potential interest in any Related Party Transaction will 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 purpose of the transaction, the benefits/ loss to the Company, and any other relevant matters.

In determining whether to approve a Related Party Transaction, the Committee may consider all such factors/ or may call such information/ or seek external advice/ opinion as it may consider appropriate in its sole judgment.

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.

4.5 Materiality Thresholds

Regulation 23 of the Regulations requires the Company to provide materiality thresholds for transactions beyond which the shareholders' approval will be required. The Company has fixed its materiality thresholds at the level prescribed under explanation to Regulation 23(1) of the Regulations as under:

- In case of Transactions involving payments made to a Related Party with respect to brand usage, if it exceeds Five percent (5%) of the annual consolidated turnover of the Company as per its last audited financial statements.
- In case of any other Transaction, whether entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or ₹ 1,000 crore, whichever is lower.

4.6 Approval of shareholders of the Company

All material Related Party Transactions and subsequent Material Modifications shall require prior approval of the shareholders and no Related Party shall vote to approve such resolutions whether the entity is a Related Party to the particular transaction or not.

Prior approval of the shareholders of the Company will be obtained for Related Party Transactions to which the subsidiary of the Company is a party but the Company itself is not a party to the transaction, and where the value of such transactions, whether entered into individually or taken together with previous transactions during a financial year, exceeds 10% (ten per cent) of the annual consolidated turnover of the Company as per the last audited Financial Statements of the Company.

Further, prior approval of the shareholders of the Company shall not be required for a Related Party Transaction to which the listed subsidiary is a party but the Company is not a party, if Regulation 23 and Regulation 15(2) of LODR are applicable to such listed subsidiary. For sake of clarity, for Related Party Transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

In addition to the above, all transactions specified under Section 188 of the Act as mentioned below require approval of Shareholders:

- Transactions which are not in the ordinary course of business or not at arm's length basis; and
- Transactions which exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 (as amended from time to time).

The approval of Audit Committee, Board of Directors and Shareholders of the Company for following Related Party Transactions shall not be required:

- For transactions entered into between the holding company of the 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 and
- Transactions entered into between two wholly-owned subsidiaries of the listed holding Company, whose accounts are consolidated with such holding company and placed before the shareholders of such holding company at the general meeting for approval.

No Related Party shall vote to approve the resolution whether the entity is a Related Party to the particular transaction or not.

5. REVIEW AND UPDATION OF THE POLICY

The Board shall review this policy at least once in every three years and if necessary shall update the same on the recommendation of the Committee.

6. DISCLOSURE AND REPORTING

Appropriate disclosures as required under the Act and the Regulations will be made in the Annual Return, Board's Report and to the Stock Exchanges. The Policy shall also be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.

The Company shall disclose to the Stock Exchanges along with the compliance report on corporate governance on a quarterly basis, details of all material RPTs with related parties. In addition, the Company shall also submit within 15 days from the date of publication of its standalone and consolidated financial results for the half year (on the date of publication of its standalone and consolidated financial results for the half year w.e.f. April 01, 2023), in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.