

**FEDERAL-MOGUL GOETZE (INDIA)
LIMITED**

**RELATED PARTY TRANSACTION
POLICY**

*Dated 1st October 2014
(As amended on 29th May 2018 and 13th
February 2023)*

1. PREAMBLE

The Board of Directors (the “Board”) of Federal-Mogul Goetze (India) Limited (the “Company” or “FMGIL”), had adopted the following policy and procedures with regard to Related Party Transactions as envisaged below. The policy is to regulate transactions between the Company and its related parties based on the laws and regulations applicable to the Company.

2. OBJECTIVE

This policy is framed as per requirement of the Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time and is intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are intended to be in the interests of the Company and its shareholders.

3. DEFINITIONS

- i. **“Audit Committee or Committee”** means Committee of Board of Directors of the Company constituted under provisions of SEBI Listing regulations and Companies Act, 2013, read together with all/ any statutory amendments thereto.
- ii. **“Board”** means Board of Directors of the Company.
- iii. **“Control”** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
- iv. **“Key Managerial Personnel”** means key managerial personnel as defined under Section 2 (51) of the Companies Act, 2013, and includes:

- a) Managing Director, or Chief Executive Officer or Manager;
 - b) Company Secretary;
 - c) Whole-time Director;
 - d) Chief Financial Officer;
 - e) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - f) such other officials as may be prescribed.
- v. **“Material Related Party Transaction”** shall have the same meaning as defined in Regulation 23 of the SEBI Listing Regulations.
- vi. **“Material Modification of Related Party Transaction”** in relation to the Company means and includes any modification to an existing related party transaction exceeding 25% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders or such percentage as may be prescribed in SEBI Listing Regulations, if any, including such other parameter as may be determined by the Audit Committee from time to time.
- vii. **“Policy”** means Related Party Transaction Policy.
- viii. **“Related Party”** means related party as defined under Section 2(76) of the Companies Act, 2013 and the Regulation 2(1)(zb) of SEBI Listing Regulations, as amended from time to time.
- ix. **“Related Party Transaction”** shall have the meaning as defined under Regulation 2(1)(zc) of the SEBI Listing Regulations, or as envisaged in Section 188(1) of the Companies Act, 2013.
- x. **“Relative”** means relative as defined under section 2(77) of the Companies Act, 2013 read with rule 4 of the Companies (Specification of definitions details) Rules, 2014 and includes anyone who is related to another, if –
- a. They are members of a Hindu undivided family;
 - b. They are husband and wife; or
 - c. Father (including step-father);
 - d. Mother (including step-mother);
 - e. Son (including step-son);
 - f. Son’s wife;
 - g. Daughter;
 - h. Daughter’s husband;
 - i. Brother (including step-brother); and
 - j. Sister (including step-sister).

All terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Companies Act, 2013 and the Rules made thereunder and the SEBI Listing Regulations, as amended from time to time.

In case of any conflict between this Policy and applicable law, the applicable law (as existing on the date of the concerned transaction) shall prevail.

4. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

All Related Party Transactions shall be dealt in accordance with this Policy as amended from time to time:

4.1 Approval of Related Party Transactions

All Related Party Transactions and subsequent material modifications thereof shall require prior approval of the Audit Committee.

4.2 Review and Approval of Related Party Transactions

a. Identification of related parties

The Company shall identify and update the list of related parties as prescribed under Section 2(76) of the Companies Act, 2013 read with the Rules framed there under and Regulation 2(1)(zb) of the SEBI Listing Regulations.

b. Identification of related party transactions

The Company shall identify related party transactions in accordance with Section 188 of the Companies Act, 2013 and Regulation 2(1)(zc) of the SEBI Listing Regulations. The Company shall determine whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company may seek external professional opinion, if necessary.

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.

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(s).

c. Procedure for approval of related party transactions

I. Approval of the Audit Committee

- All related party transactions and subsequent material modifications require prior approval of the Audit Committee.
- Only members of the Audit Committee, who are independent directors, shall approve related party transactions.
- A related party transaction to which the subsidiary of a Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction 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.
- The Company may obtain omnibus approval from the Audit Committee for such transactions, subject to compliances with the following conditions:
- The Audit Committee shall after seeking guidance of the Board of Directors, specify the criteria for granting the omnibus approval in line with this Policy which shall include the following, namely:
 - ✓ the name/s of the related party and its relationship with the company and/or its subsidiary, nature of transaction, period of transaction, in aggregate, which shall be entered into in a year;
 - ✓ the maximum amount of transactions that shall be entered into;
 - ✓ the indicative base price/ current contracted price and the formula for variation in the price, if any;
 - ✓ transactions which cannot be subject to the omnibus approval by the Audit Committee; and
 - ✓ Such other conditions as the Audit Committee may deem fit.
- The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.
- However, in case of related party transactions which cannot be foreseen and where the above details are not available, Audit Committee may grant omnibus approval provided the value does not exceed Rs.1 crore per transaction.
- 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 1 financial year and shall require a fresh approval after expiry of such financial year.

II. Approval of the Board of Directors

- As per the provisions of Section 188 of the Companies Act, 2013, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm's length basis, are placed before the Board for its approval.
- Transactions as may be determined by the Board from time to time (i.e., value threshold and/or other parameters) shall require Board approval in addition to Audit Committee approval.
- Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval.
- Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view require Board approval.
- All the Material Related Party Transactions and subsequent Material Modification thereto, which are intended to be placed before the shareholders for approval.

III. Approval of the Shareholders

- All the Material Related Party Transactions and subsequent Material Modification thereto be placed before the shareholders for their approval.
- The notice being sent to the shareholders seeking approval for any proposed related party transaction shall, include information as required under the Companies Act, 2013 and the SEBI Listing Regulations.
- All kinds of transactions specified under Section 188 of the Companies Act, 2013 which (a) are not in the ordinary course of business or not at arm's length basis; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 shall be placed before the

shareholders for their approval.

- For this purpose, no related party shall vote to approve the relevant resolution irrespective of whether the entity is a related party to the particular transaction or not.

- Pursuant to Regulation 23(5)(b) of the SEBI Listing Regulations and Section 188(1) of the Companies Act, 2013 the requirement for seeking shareholders' approval shall not be applicable, *inter alia*, to:
 - ✓ Transactions entered between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
 - ✓ Transactions between two wholly owned subsidiaries of the Company whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
 - ✓ Above prior approval of the Shareholders shall not be required in cases where the subsidiary is a listed entity and Regulations 23 and 15(2) of the SEBI Listing Regulations are applicable to such listed subsidiary.

5. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Committee has authority to

modify or waive any procedural requirements of this Policy.

6.AMENDMENTS

In the event of any amendment in the Companies Act, 2013 and the SEBI Listing Regulations or issuance of any notification/clarification thereto, such amendments/clarification shall be deemed to be adopted by the Company and the policy stands amended to the extent of such change and in case of any conflict between the provisions of this policy and Companies Act, 2013/ SEBI Listing Regulations, the latter shall prevail.