



Next Mediaworks Limited

POLICY ON MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS

(Revised Policy recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 1st November, 2022)

INTRODUCTION

Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) mandates a listed company to formulate a policy on materiality of related party transactions and dealing with related party transactions including clear threshold limits duly approved by the board of directors and such policy shall be reviewed by the board of directors at least once every three years and updated accordingly.

In line with the aforesaid requirement, the Board of Directors of Next Mediaworks Limited (the “**Company**”) on the recommendation of the Audit Committee, has approved this Policy on materiality of and dealing with related party transactions.

1.0 OBJECTIVE

- 1.1 This Policy may be called the ‘*Policy on materiality of and dealing with Related Party Transactions*’ (hereinafter referred to as ‘**the Policy**”).
- 1.2 This Policy shall regulate transactions between the Company and its Related Parties based on the applicable laws and rules and regulations framed thereunder and also lay down mechanism for identification, approval, review and reporting of such transactions.

2.0 DEFINITIONS

Unless the context otherwise requires, the words, terms, expressions and derivations used in this Policy shall have the same meaning given in the Companies Act, 2013 and/ or SEBI Listing Regulations or any other applicable law or regulation:

- 2.1 “**Act**” means Companies Act, 2013 and rules made thereunder, including any modifications, amendments, clarifications, circulars thereof.as amended from time to time.
- 2.2 “**Audit Committee**” means the committee of the Board of Directors constituted u/s 177 of the Companies Act, 2013 and SEBI Listing Regulations.
- 2.3 “**Board**” means the Board of Directors of the Company.
- 2.4 “**Key Managerial Personnel**” means the person(s) appointed as such under Section 203 of the Act and/or person(s) covered under applicable Accounting Standard.
- 2.5 “**Modifications**” in relation to the Related Party Transaction(s) shall mean any change /

variation / modification in an existing related party transaction / contract / arrangement.

- 2.6 **“Material modifications”** in relation to the Related Party Transaction(s) shall mean any change / variation / modification in an existing related party transaction / contract / arrangement, the financial effect of which is an increase/decrease in the per annum value of the relevant related party transaction / contract / arrangement for an amount:
- a) Greater than 10% of the approved transaction value for the matters requiring approval of the Audit Committee;
 - b) Greater than 25% or Rs. 1 Crore, whichever is higher, but not exceeding Rs 10 Crore, for the matters requiring approval of the Shareholders.
- 2.7 **“Material Related Party Transactions”** shall have the meaning as given in the SEBI Listing Regulations, as amended from time to time.
- 2.8 **“Related Party”** shall have the meaning ascribed to the term in Regulation 2(1)(zb) of the SEBI Listing Regulations, in Section 2(76) of Act and/ or under the applicable accounting standards.
- 2.9 **“Related Party Transaction”** shall have the meaning ascribed to the term in Regulation 2(1)(zc) of the SEBI Listing Regulations and/or Section 188 of the Act, as amended from time to time.

3.0 **PROCEDURE**

3.1 **Identification of Related Party**

On the basis of criteria prescribed under the Act and/or SEBI Listing Regulations, the list of Related Parties shall be compiled, which shall be updated from time to time.

3.2 **Approvals of Related Party Transactions**

- I. Audit Committee’s approval shall be required for all:
 - i. Related Party Transaction(s) to which the Company is a party and modifications thereto; and
 - ii. Related Party Transaction(s), to which subsidiary of the Company is a party but the Company is not a party, and if the value of such transactions exceeds the thresholds specified in the SEBI Listing Regulations in this regard, and any Material Modification(s) thereto.

Provided that in respect of modifications that are not Material Modifications:

- (a) Such modification is submitted to the Audit Committee for review, at its meeting to be held in the immediately succeeding quarter after such modification is effected,
- (b) The modification is in ordinary course of business and arm’s length, and necessary information and documents evidencing the same are submitted to the Audit Committee.

II. Shareholders' approval shall be required for all Material Related Party Transactions and Material Modifications thereto.

- 3.3 Audit Committee shall be provided all relevant and material information on proposed Related Party Transactions, including the terms thereof, business case, justification of arm's length terms etc. Basis this, the Audit Committee could either approve or reject a proposed Related Party Transaction.
- 3.4 The Audit Committee may grant omnibus approval to one or more proposed Related Party Transactions in accordance with the provisions of the Act and SEBI Listing Regulations.
- 3.5 Approval of the Audit Committee shall always be sought prior to entering into Related Party Transactions. If however, any Related Party Transaction is entered into by the Company without obtaining prior consent of the Audit Committee / Board / Shareholders, as the case may be, it shall be placed before the Audit Committee/ Board for ratification within three months from the date on which such contract or arrangement was entered into and before the Shareholders at the ensuing general meeting in accordance with applicable law
- 3.6 In connection with any review of a Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.
- 3.7 In the event the Audit Committee decides to put up a Related Party Transaction before the Board, or if the Board *suo-moto* elects to review any Related Party Transaction or it is mandatory for the Board to accord prior approval of the particular Related Party Transaction under the Act and/or SEBI Listing Regulations, then the process set forth above shall apply *mutatis-mutandis* to the process of review/approval by the Board, subject to such exceptions as may be necessary or appropriate under the circumstance.
- 3.8 The Related Party Transactions entered into by the Company shall be subject to post-facto review by the Audit Committee on quarterly basis.

4.0 RELATED PARTY TRANSACTIONS THAT SHALL NOT REQUIRE APPROVAL UNDER THIS POLICY

Following Related Party Transactions shall not require any separate approval under this Policy:

- a. Any transaction pertaining to appointment and remuneration of Directors and KMPs that require approval of the Nomination and Remuneration Committee of the Company and the Board;
- b. Payment of Dividend;
- c. Transactions involving corporate restructuring, such as buy-back of shares, capital reduction, merger, demerger, hive-off etc. which are approved by the Board and carried out in accordance with the specific provisions of the Act or SEBI Listing Regulations;
- d. Contribution towards Corporate Social Responsibility (CSR) within the overall limits approved by the Board that require approval of the CSR Committee.

5.0 GENERAL PRINCIPLES

Company Secretary is authorized to issue guidelines/instructions for implementation of the Policy from time to time, and his interpretation on the Policy shall be final.

6.0 DISCLOSURE OF RELATED PARTY TRANSACTIONS

6.1 Particulars of Related Party Transactions shall be disclosed in such manner as may be prescribed under SEBI Listing Regulations, the Act (including rules made there under), from time to time.

6.2 The Company shall host the Policy on its website.

6.3 The Policy will be hosted on the intranet for dissemination of contents thereof, to the concerned persons.

7.0 Limitation and Amendments

In the event of any conflict between the provisions of this Policy and of the Act or SEBI Listing Regulations or any other statutory enactments, rules, the provisions of such Act or SEBI Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the SEBI Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

This Policy was approved and adopted by the Board on 16th July, 2019 and was further reviewed and amended on 1st November, 2022.