

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

OBJECTIVES

The Board of Directors, hereinafter referred to as “the Board” of Brooks Laboratories Limited has adopted Related Party Transactions Policy, hereinafter referred to as “thisPolicy” to set forth the procedures under which transactions with Related Parties and materiality thereof shall be ascertained and considered subsequently for approval.

This Policy also aims to comply with the provisions of Section 188 of the Companies Act 2013 and Regulation 23 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015, as amended by Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 (SEBI Listing Regulations). This Policy applies to transactions between the Company and one or more of its Related Party(ies) as defined herein below. It provides a framework for governance and reporting of Related Party Transactions including Material Related Party Transactions.

DEFINITIONS

The term **Related Party, Related Party Transactions and Relative** will carry the meaning as stated under the Companies Act, 2013 read with Rules made thereunder and further read with SEBI Listing Regulations.

Material Related Party Transaction means a Related Party Transaction which individually or taken together with previous transactions during the accounting year, exceeds threshold limit as stated hereinafter or such limits as may be prescribed either in the Companies Act, 2013 or the SEBI Listing Regulations, as amended from time to time, whichever is stricter.

POLICY ON RELATED PARTY TRANSACTION

1. The Company shall not enter into any transaction/contract/ arrangement or any subsequent modification thereof with a Related Party without the prior approval of the Audit Committee unless the transaction /contract/ arrangement / modification enjoys any exemption as provided under the Companies Act, 2013 or Rules made thereunder or under the SEBI Listing Regulations.
2. The Audit Committee may grant omnibus approval for Related Party Transaction proposed to be entered into by the company, subject to the conditions as stated under Regulation 23(3) SEBI Listing Regulations.

3. A related party transactions to which the subsidiary of the Company is a party but the listed party is not a party shall require prior approval of the Audit Committee, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds threshold limit as stated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

4. In the event any contract or arrangement with a related party is not in the ordinary course of business or not 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 the Board or its shareholders, as applicable, for such transaction/ contract /arrangement / modification.

5. The Related Party Transactions approved by other statutory board committees within their terms of reference viz. Nomination & Remuneration Committee, CSR Committee, Risk Management Committee and Stakeholders Relationship Committee, if any, shall be deemed to have approval of the Audit Committee from the RPT perspective and the same need not be approved by the Audit Committee once again.

6. Material modification will mean and include any modification to an existing related party transaction having variance of 20% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may be.

POLICY ON MATERIAL RELATED PARTY TRANSACTION

All Material Related Party Transactions and any subsequent material modification as defined earlier shall require prior approval of the shareholders through ordinary resolution. However, prior approval of shareholders of the Company shall not be required for such cases as may be prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended or as notified by any regulatory authority.

The explanatory statement for this purpose of such resolution should contain the particulars as stated under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time.

THRESHOLD LIMITS FOR DEALING WITH RELATED PARTY TRANSACTIONS

| Sl. No. | Nature of transaction with a related party | Threshold limit till which related party transaction can be carried out with Board approval | Threshold limit till which related party transaction can be carried out with shareholders' approval (*) |
|---------|--|---|---|
| a. | Sale, purchase or supply of any goods or materials, directly or through appointment of agent | Upto 10% of the annual consolidated turnover or Rs. 1000 crores whichever is lower | No upper limit |

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| b. | Selling or otherwise disposing of, or buying, property of any kind, directly or through appointment of agent | Upto 10% of net worth | No upper limit |
| c. | Leasing of property of any kind | Upto 10% of the annual consolidated turnover or Rs. 1000 crores whichever is lower | No upper limit |
| d. | Availing or rendering of any services, directly or through appointment of agent | Upto 10% of the annual consolidated turnover or Rs. 1000 crores whichever is lower | No upper limit |
| e. | Appointment of any agent for purchase or sale of goods, materials, services or property | As stated under (a) or (b) or (c) or (d), whichever is applicable | No upper limit |
| f. | Related party's appointment to any office or place of profit in the company, its subsidiary company or associate company | Monthly remuneration upto Rs. 2,50,000 | No upper limit |
| g. | Underwriting the subscription of any securities or derivatives, thereof, of the Company | Upto 1% of net worth No upper limit | No upper limit |
| h. | Payment towards brand usage or royalty | Upto 5% of Annual Consolidated Turnover or Rs. 1000 crores whichever is lower | No upper limit |

(*) Shareholders reserve the right to specify maximum permissible limit upto which transaction with a respective related party may be carried out in a financial year, in the event whereof such permissible limit will be reckoned as threshold limit for the purpose of this policy.

Note:

1. Threshold limit shall be determined per year basis
2. 'Networth' or 'Consolidated Turnover' or 'Turnover', wherever specified shall refer to respective figures as per last audited financial statement.

DISCLOSURE

Disclosure will be made in the Company's Annual Report of the particulars of the transactions/contract / arrangement / modification along with the justification for entering into such transactions/contracts/arrangements / modifications with the Related Parties as a part of Board's Report. The Company shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the SEBI from time to time, and publish the same on its website This Policy will also be uploaded in the website of Brooks Laboratories Limited and the web link will be provided in the Annual Report.

POLICY INTERPRETATION AND REVIEW

In case of any subsequent changes in the provisions of the Companies Act, 2013, SEBI Listing Regulations or any other regulations which makes any of the provisions in the Policy inconsistent with the Act or regulations, the provisions of the Act or regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law. The policy shall be reviewed periodically as required under SEBI LODR or as and when required keeping in view the changes in the regulatory requirements whichever is earlier.

This Policy was amended by the Board of Directors of Brooks Laboratories Limited at its meeting held on April 9, 2022.