

HALDIA PETROCHEMICALS LIMITED

POLICY ON RELATED PARTY TRANSACTIONS AND MATERIALITY OF RELATED PARTY TRANSACTIONS

1. INTRODUCTION

Haldia Petrochemicals Limited (hereinafter referred to as “HPL” or “Company”) has formulated this policy on dealing with Related Party Transactions and materiality of Related Party Transactions in accordance with applicable provisions of the Companies Act, 2013 (Act) and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any amendment or modification thereof).

2. OBJECTIVE

This policy provides a framework to regulate transactions between the Company and its related parties and lays down mechanism for identification, approval, review and reporting of such transactions.

3. DEFINITIONS

“Arm’s length Transactions” means a transaction between two Related Parties that is conducted as if they are unrelated so that there is no conflict of interest.

“Audit Committee” means Committee of Board of Directors of the Company constituted under provisions of the Act and Listing Regulations.

“Board” means Board of Directors of the Company.

“Company” means Haldia Petrochemicals Limited.

“Industry Standards” shall mean the Industry Standards on “Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)” as notified by SEBI circular(s).

“Key Managerial Personnel” or “KMP” means Key Managerial Personnel as defined under the Companies Act, 2013.

“Material Related Party Transactions” shall have the same meaning as specified under the relevant provisions of Listing Regulations or the transaction exceeding certain threshold as per the Act.

“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.

“Ordinary course of business” means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per its Memorandum & Articles of Association. It also includes all such activities which the Company shall undertake in furtherance of the objects as stated in Memorandum of Association of the Company.

“Policy” means this Policy on Related Party Transactions and materiality of Related Party Transactions along with regulatory amendments in its respect.

“Relative” means relative as defined under the Act and Rules prescribed thereunder & Listing Regulations as amended from time to time.

“Related Party” means related party as defined under the Act and Rules prescribed thereunder & Listing Regulations as amended from time to time.

“Related Party Transaction” (“RPT”) shall have the meaning as defined under the Act and Rules prescribed thereunder & Listing Regulations as amended from time to time.

Further, unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013/ Listing Regulations as may be amended from time to time and shall have the meaning respectively assigned to them therein.

4. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS

Each Director and KMP shall disclose their interest under section 184 of the Companies Act 2013. The Company shall maintain a database of Company’s Related Parties and shall ensure that no transaction is entered into with any Related Party without requisite approvals.

Further each Director and KMP is also responsible for providing notice to the Board or Audit Committee of any potential RPT involving him or her or his or her relative, including any additional information about the transaction that Board/Audit Committee may reasonably request.

5. PROCEDURE TO BE ADOPTED FOR APPROVAL OF RELATED PARTY TRANSACTIONS

I. APPROVAL OF AUDIT COMMITTEE

All Related Party Transactions and subsequent Material Modifications thereon shall require prior approval of the Audit Committee. Only those members of the Audit Committee, who are independent directors, shall approve related party transactions.

Prior approval of the Audit Committee shall also be required for the following Related Party Transactions:

- (a) a related party transaction to which the subsidiary of the 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 10% of the annual consolidated turnover, as per the last audited financial statements of the Company;

- (b) Related party transaction to which the subsidiary of the 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 10% of the annual standalone turnover, as per the last audited financial statements of the subsidiary.

In case any member of the Committee is interested in the transaction proposed for approval, the interested member shall abstain from voting and only the dis-interested members shall vote on the resolution.

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiary subject to the following conditions:

- The Audit Committee shall lay down the criteria for granting omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature.
- The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- 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) minimum information about the RPTs as per the provisions of the Industry Standards and (iv) such other conditions as the Audit Committee may deem fit.

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

The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity or its subsidiary pursuant to each of the omnibus approvals given.

Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

To review a Related Party Transaction, the Committee shall be provided with the necessary information as prescribed under the Companies Act, 2013, Minimum Information to be placed before the Audit Committee as required under the Industry Standards and / or as specified under Listing Regulations and other applicable SEBI Circulars etc., from time to time, to the extent relevant, with respect to actual or potential Related Party Transactions.

II. APPROVAL OF BOARD OF DIRECTORS

All the Related Party Transactions under section 188 of the Companies Act, 2013 shall be approved by the Board of Directors of the Company, except transactions entered into by the Company are in its ordinary course of business and transactions are at an arm's length basis.

III. APPROVAL OF SHAREHOLDERS

All material related party transactions and any subsequent 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 such transaction or not.

6. FACTORS TO BE CONSIDERED WHILE GRANTING APPROVAL TO RELATED PARTY TRANSACTIONS

The Audit Committee/Board/Shareholder, as applicable, will consider the following factors, among others, to the extent relevant to the RPT while granting the approval:

- Whether the terms of the RPT are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- Whether there are any compelling business reasons for the Company to enter into the RPT;
- the nature of alternative transactions, if any;
- Whether the RPT would affect the independence of an Independent Director;
- Whether the transaction qualifies to be a transaction in ordinary course of business;
- Whether the transaction is in the interest of the Company;
- Whether the RPT would present an improper conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the terms and size of the transaction, the purpose and timing of the transaction, the direct or indirect nature of the transaction, Key Managerial Personnel's or other Related Party's interest in the transaction.

7. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a RPT that has not been approved as per this Policy, the matter shall be reviewed by the Audit Committee. The Committee shall consider all of the relevant facts and circumstances regarding the RPT and shall evaluate all options available to the Company, including ratification by it or recommending the Board for their ratification or seeking approval of Shareholders, revision or termination of the RPT. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such RPT to the Committee under this Policy and shall take any such action it deems appropriate. The Committee has authority to modify or waive any procedural requirements of this Policy, if considered necessary and in the best interests of the Company.

8. TRANSACTIONS NOT TO BE CONSIDERED AS RELATED PARTY TRANSACTIONS

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee, Board of Directors or Shareholders:

- a. Any transaction that involves the providing of compensation in connection with his or her duties to the Company or to any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- b. Reimbursement made of expenses incurred by a Related Party for business purpose of the Company, or Reimbursement received for expenses incurred by the Company on behalf of a Related Party.
- c. Reimbursement of pre-incorporation expenses incurred by or on behalf of a Related Party.
- d. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.
- e. Any other exception which is consistent with the Applicable Laws, including any rules or regulations made thereunder, and does not require prior approval by the Audit Committee.
- f. Transactions entered into 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.
- g. Transactions entered into 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.
- h. The remuneration and sitting fees paid by the Company or its Subsidiary to its Director, KMP or Senior Management, except who is a part of Promoter or promoter group provided that the same is not material in terms of the provisions of Regulation 23(1) of the Listing Regulations.

9. DISCLOSURES & REPORTING

Necessary disclosures of the RPTs and material RPTs as applicable, shall be made by the Company in the Directors' Report with proper justification and the Corporate Governance Report and to the Stock Exchanges in the format as specified from time to time and published on Company's website.

The Company shall disclose the policy on dealing with RPT on its website and a web link thereto shall be provided in the Annual Report of the Company as prescribed in Schedule V of the SEBI Listing Regulations, 2015.

10. REVIEW AND AMENDMENT OF THE POLICY

Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy. The Board of Directors on recommendation of the Audit Committee shall review the policy at least once in every 3 (three) years. However, the Board of Directors reserves its right

to amend or modify the policy in whole or in part, at any time without assigning any reason whatsoever.

Place: Kolkata

By order of the Board of Directors

Date: 31.10.2025

Sd/-
Company Secretary

Previous amendment: 11th November, 2022