7SEAS ENTERTAINMENT LIMITED
POLICY ON MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS

(Approved/Amended by the Board of Directors on 18 July 2026)

CIN: L72900TG1991PLC013074

Registered Office: 5th Floor, Plot Nos. 92, 93 and 94, Kavuri Hills, Madhapur, Hyderabad, Telangana – 500081

Classification: Public – to be hosted on the Company's website

1. Background and objective

Related party transactions may create actual or perceived conflicts of interest. This Policy establishes a transparent process for identifying related parties, determining materiality, obtaining approvals, fixing arm's-length terms, monitoring performance and making disclosures under sections 177 and 188 of the Companies Act, 2013, applicable accounting standards and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations").

2. Scope

This Policy applies to the Company and its subsidiaries, directors, key managerial personnel, senior management, promoters, promoter group, related parties and all functions that initiate, negotiate, approve, record, settle or report a transaction. It covers single transactions, a series of connected transactions, material modifications and arrangements involving transfer of resources, services or obligations, whether or not consideration is charged.

3. Definitions

"Related Party", "Related Party Transaction" and "relative" shall carry the widest applicable meaning under the Companies Act, applicable accounting standards and LODR Regulations. "Arm's length transaction" means a transaction conducted as if between unrelated parties so that there is no conflict of interest. "Ordinary course of business" shall be determined having regard to objects, historical practice, frequency, industry practice, revenue character and commercial purpose.

4. Identification of related parties and transactions

- Every director, KMP and senior-management member shall submit and update declarations of interests, relatives and entities in which an interest is held.
- Finance shall maintain a related-party master reconciled with statutory registers, accounting records, shareholding information and declarations.
- No business function shall split, re-characterise or route a transaction through another person to avoid this Policy.
- Potential RPTs shall be referred to Finance and the Company Secretary before commitment or execution.

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5. Materiality and material modification

An RPT, other than brand usage or royalty, is material if it individually or together with previous transactions during the financial year exceeds ₹1,000 crore or ten per cent of the annual consolidated turnover as per the last audited financial statements, whichever is lower, or such other threshold as prescribed. Brand usage or royalty transactions shall apply the statutory five-per-cent threshold. A modification affecting value, tenure, scope, pricing, security, parties, liability allocation or commercial substance beyond limits approved by the Audit Committee shall be treated as material.

6. Approval of the Audit Committee

- All RPTs and material modifications shall receive prior Audit Committee approval, except statutory exemptions.
- Only those independent directors who are members of the Audit Committee shall approve matters where Regulation 23 so requires.
- The proposal shall include parties, relationship, nature, tenure, value, pricing basis, commercial rationale, alternatives, financial impact, interest of management and information prescribed by SEBI.
- Omnibus approvals may be granted only on approved criteria, maximum values and validity, with quarterly review and fresh approval after expiry.

7. Board and shareholder approval

Board approval under section 188 shall be obtained wherever applicable. Material RPTs and material modifications shall be placed before shareholders for prior approval. Related parties shall abstain from voting where required by law. Shareholder papers shall contain full particulars, justification, valuation or benchmarking information and the Audit Committee's recommendation.

8. Pricing and commercial safeguards

- Terms shall be benchmarked by quotations, market data, comparable uncontrolled prices, cost-plus analysis, valuation or another defensible method.
- Long-term and recurring arrangements shall include review, termination, audit, service-level, confidentiality, data-protection and dispute provisions appropriate to risk.
- Interested persons shall not participate in negotiation, recommendation or approval except to provide factual information when requested.

9. Post-approval monitoring and disclosures

- Finance shall monitor utilisation of omnibus approvals, outstanding balances, advances, guarantees and changes in terms.
- The Audit Committee shall review RPT performance at least quarterly.
- RPT disclosures shall be submitted to stock exchanges in the prescribed format and placed on the website within applicable timelines.

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- The Board's Report, financial statements, registers and minutes shall contain disclosures required by law.

10. Non-compliance and ratification

An unapproved or excess transaction shall be stopped where practicable and reported immediately. Ratification may be sought only where legally permissible and within the prescribed time. The Company may unwind, renegotiate or recover loss from persons responsible, without prejudice to disciplinary or regulatory action.

11. Interpretation and overriding effect

Terms not specifically defined in this Policy shall have the meanings assigned to them under the Companies Act, 2013, the rules made thereunder, the applicable SEBI regulations and other governing law. References to statutes and regulations include amendments, clarifications, circulars and re-enactments. If any provision of this Policy conflicts with applicable law, the law shall prevail and this Policy shall be read as modified to the minimum extent necessary.

12. Administration and responsibility

The Board shall retain overall responsibility for this Policy. The committee or officer identified in this Policy shall administer it, maintain evidence of compliance and report material deviations. Every director, officer, employee, consultant and service provider within scope shall provide information and cooperation reasonably required for implementation.

13. Records, training and assurance

The Company Secretary/Compliance Officer shall ensure that approvals, registers, declarations, notices, reports, training records and supporting documents are retained for the period prescribed by law and the Company's document-retention schedule. Periodic awareness and role-based training shall be conducted. Internal audit or an independent reviewer may test compliance and recommend corrective action.

14. Review and amendment

This Policy shall be reviewed at least annually and earlier upon a material change in law, business model, organisation, risk profile or regulatory guidance. Material amendments shall be placed before the competent committee and the Board. The Managing Director and Company Secretary/Compliance Officer may jointly make clerical, contact-detail and statutory-reference corrections that do not alter substantive rights or obligations, subject to reporting to the Board.

For 7Seas Entertainment Limited
Company Secretary / Compliance Officer

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