ATHER

**ATHER ENERGY LIMITED**

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

| Document version | Approved By | Date of approval | Date of Amendment |
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| 1.0 | Board of Directors | August 27, 2024 | - |

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## 1. Introduction

Ather Energy Limited ( “Company”) has formulated this Policy with the objective of regulating the related party transactions and ensuring compliance with the provisions stipulated in the Companies Act, 2013 (the “Act”) and the SEBI Listing Regulations.

## 2. Definitions

2.1 **"Accounting Standards”** means accounting standards as prescribed by under Section 133 of the Act.

2.2 **“Act”** means Companies Act, 2013, together with rules framed thereunder and includes any amendments thereof.

2.3 **“Arm’s Length Transaction”** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

2.4 “**Audit Committee**” or “**Committee**” means the Audit Committee of the Board constituted in accordance with the Act and SEBI Listing Regulations.

2.5 **“Board of Directors”** or **“Board”** means the Board of Directors of Ather Energy Limited, as constituted from time to time as per the Act and SEBI Listing Regulations .

2.6 **Key Managerial Personnel (KMP**)’shall mean the Key Managerial Personnel of the Company as defined under the Act.

2.7 “**Material Modification**” shall mean any modification with respect to the following: 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.

2.8 “**Material Related Party Transaction**” shall have the same meaning as defined in Regulation 23 of the SEBI Listing Regulations and/or contracts or arrangements provided under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, requiring shareholder’s approval.

2.9 “**Policy**” shall mean this policy on materiality of and dealing with related party transactions.

2.10 **“Ordinary Course of Business**” with reference to transactions with a related party shall mean transactions/activities that are connected to or necessary for the business of the Company. Every transaction capable of being entered into by the Company for the purpose of carrying its business or those transactions that companies engaged in similar business activities usually entered into shall be deemed to be a transaction in the Ordinary Course of Business.

2.11 “**Related Party**” shall have the same meaning as defined in Regulation 2(zb) of the SEBI Listing Regulations.

2.12 “**Related Party Transaction or RPT**” in relation to the Company means a transaction with a related party as defined in 2 (1) (zc) of the SEBI Listing Regulations and under the relevant provisions of the Act or any relevant Indian Accounting Standards, as amended from time to time.

2.14 **"Subsidiary”** means a subsidiary as defined in regulation 2(zm) of the SEBI Listing Regulations;

2.15 **“SEBI Listing Regulations”** means the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time.

Any other term used but not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI Listing Regulations, applicable Accounting Standards as amended from time to time.

## 3. Objective

3.1 Ensure compliance with regulatory provisions under the Act, SEBI Listing Regulations, governing Related Party Transactions and any other legislation if any, both in letter and spirit.
3.2 Upheld highest standard of Corporate Governance, transparency, probity, and ethical standards in all dealings of the Company with Related Parties such that its reputation is well protected and to enjoy highest level of trust and confidence of investors, regulatory authorities and all other stakeholders.
3.3 Seek necessary approvals of the Audit Committee/Board/Shareholders, as may be necessary, after providing necessary information to them in the prescribed manner and outline the procedures for identification, review, disclosure, and reporting of such transactions.

## 4. Identification of Related Party

4.1 The related party of the Company shall be identified and ascertained in light of the aforementioned definition of the Related Party.
4.2 Every Promoter, Director and KMP of the Company shall be responsible for providing a list of his / her Related Party to the Company. The disclosure shall be submitted to the Company (i) at the time of appointment of such person to office; (ii) at the first meeting of the Board held in every financial year, and (iii) whenever there is any change in the disclosures already made, then at the first Board meeting held after such change.
4.3 The Board shall take note of such disclosures and maintain database of Company's Related Parties.
4.4 Any questions as to whether a person is a Related Party or not shall be determined by the Committee.

## 5. Identification of Related Party Transaction(s)

5.1 The Audit committee or Compliance officer or Chief Financial Officer or any other person as identified by the Board from time to time, shall be responsible to determine whether a transaction indeed constitutes a Related Party Transaction in terms of the provisions of the Act, SEBI Listing Regulations and applicable Accounting Standards and shall seek necessary approval(s) prior to entering into the Related Party Transaction(s) in terms of the Policy.
5.2 The Audit Committee may seek expert advice, if it deems fit, on any matters relating to interpretation of relevant clauses under the Policy, Act, and/or SEBI Listing Regulations.

## 6. Omnibus approval by the Audit Committee

6.1 The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following condition, namely-
- 6.1.1 The Audit committee shall specify the criteria for granting the omnibus approval of Related Party Transactions in line with Policy and such approval shall be applicable in respect to transactions which are repetitive in nature;
- 6.1.2 The Audit committee shall satisfy itself regarding the need for such omnibus approval in the interest of the Company;
- 6.1.3 The criteria for granting the omnibus approval shall include the following:
  - The maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
  - the maximum value per transaction which can be allowed;

- extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
- transactions which cannot be subject to the omnibus approval by the Audit Committee.

6.1.4 The omnibus approval shall specify:

- the name(s) of the related party, nature of transaction, duration/period of transaction, maximum amount of transaction that can be entered into,
- the indicative base price / current contracted price and the formula for variation in the price, if any; and
- such other conditions as the Audit Committee may deem fit.

Further, where the need for Related Party Transactions cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rupees One (1) Crore per transaction.

6.1.5 The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to omnibus approvals given.

6.1.6 Such omnibus approvals shall be valid for a period not exceeding one (1) year and shall require fresh approvals after the expiry of one (1) year.

## 7. Prior approval of the related party transactions

All RPTs and any subsequent Material Modifications shall require prior as per the details set out in table below:

| S No | Regulation/ Section | Approval by | Transaction |
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| 1 | Regulation 23(2) of SEBI Listing Regulations | **Audit Committee**<br><br>(Only those members of the audit committee, who are independent directors, shall approve Related Party Transactions) | All RPTs and any subsequent Material Modification shall be undertaken only after prior approval of the Audit Committee.<br><br>The Audit Committee shall be provided with requisite information for approval of each Related Party Transaction.<br><br>An RPT 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 . |
| 2 | Section 188(1) of the Act and | **Board of Directors** | All RPTs within the scope of Section 188 of the Act, which are not in the |

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| | Regulation 23(4) of the SEBI Listing Regulations | (Where any director is interested (Interest as defined under Section 184 of the Act) in any contract or arrangement with a related party, such director shall not participate in discussions on the subject matter during the meeting relating to such contract or arrangement and shall not vote on the item of business) | ordinary course of business and not at an arm's length shall require prior approval of the Board.<br><br>In addition, the following RPTs shall also be placed before the Board for approval:<br><br>• Material Related Party Transactions and any subsequent material modifications to a Related Party Transactions, which are intended to be placed before the shareholders for approval.<br><br>• All other RPTs as referred by the Audit Committee from time to time.<br><br>Information in such form and manner as prescribed in the Act and/or SEBI Listing Regulations shall be provided to the Board. |
| 3 | Section 188(1) of the Act, and Regulation 23(4) of the SEBI Listing Regulations | **Shareholders**<br><br>(No related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not) | All Material Related Party Transactions and any subsequent Material Modifications to Related Party Transactions, shall require prior approval of Shareholders.<br><br>Transactions covered within the scope of Section 188 of the Act, which are not in the ordinary courses of business and also not on arm's length basis and exceeds the threshold under Section 188 of the Act shall require prior approval of the shareholders.<br><br>**Exemptions**<br><br>The approval of shareholders will not be required for transactions entered into between<br><br>(a) the Company and its wholly owned Subsidiaries or<br><br>(b) two or more wholly owned Subsidiaries of the Company |

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| | | | whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval. |

**Related Party Transactions not approved under this Policy**

In the event the Company becomes aware of an RPT that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all the relevant facts and circumstances regarding the RPT, and shall evaluate all options available to the Company,

In case the Audit Committee determines not to ratify any such RPT, it may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation by the defaulting person (as may be decided by the Audit Committee) to the Related Party or the Company etc.

## 8. Disclosure and Reporting

Appropriate disclosures as required under the Act and the SEBI Listing Regulations shall be made by the Company to the relevant authorities from time to time in the prescribed returns/forms/formats.

The Policy shall be uploaded on the Company's website and a web link of the same shall be provided in the Annual Report of the Company.

## 9. Review and Amendment

In the event of any conflict between the Companies Act, 2013 or the SEBI Listing Regulations or any other statutory enactments and the provisions of this Policy, the Regulations shall prevail over this Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

The Policy shall be reviewed by the Board at least once every three years and/or as and when required and/or recommended by the Audit Committee and updated accordingly.

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