KINETIC TRUST LIMITED

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

1. INTRODUCTION

Kinetic Trust Limited ("the Company") has formulated this Policy in accordance with Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), Section 177 and Section 188 of the Companies Act, 2013, wherever applicable, and the rules made thereunder.

The objective of this Policy is to establish a framework for identifying, reviewing, approving and disclosing related party transactions ("RPTs") and ensuring that such transactions are undertaken in the interests of the Company and its shareholders.

2. OBJECTIVES

The objectives of this Policy are to:

a. Establish criteria for identifying related parties and related party transactions.

b. Prescribe materiality thresholds for related party transactions.

c. Establish appropriate approval and review procedures.

d. Ensure that related party transactions are undertaken on an arm's length basis and in the ordinary course of business, wherever applicable.

e. Ensure compliance with applicable statutory, regulatory and disclosure requirements.

3. DEFINITIONS

"Related Party" means a related party as defined under the applicable provisions of the Companies Act, 2013, the applicable Indian Accounting Standards and the SEBI LODR Regulations, as amended from time to time.

"Related Party Transaction" means a transaction involving a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged, and includes transactions covered by the applicable SEBI LODR Regulations.

"Material Related Party Transaction" means a related party transaction that meets or exceeds the applicable materiality threshold prescribed under Regulation 23(1) and Schedule XII of the SEBI LODR Regulations, as applicable.

"Audit Committee" means the Audit Committee of the Board of Directors of the Company.

"Arm's Length Transaction" means a transaction between related parties conducted as if they were unrelated, so that there is no conflict of interest, in accordance with applicable law.

Words and expressions not defined in this Policy shall have the meanings assigned to them under the SEBI LODR Regulations, the Companies Act, 2013 and other applicable laws.

4. IDENTIFICATION OF RELATED PARTIES

The Company shall identify related parties in accordance with applicable statutory and regulatory requirements.

Directors, Key Managerial Personnel and other persons required under applicable law shall disclose their interests and relationships to the Company and provide updated information whenever changes occur.

The Company shall maintain and periodically update a register or record of related parties based on the declarations received and information available to it.

Before entering into a transaction that may constitute an RPT, the concerned department or officer shall verify whether the counterparty is a related party.

5. MATERIALITY THRESHOLD

In accordance with Regulation 23(1) and Schedule XII of the SEBI LODR Regulations, a transaction with a related party shall be considered material where the transaction or transactions entered into individually or together with previous transactions during a financial year exceed the applicable threshold specified in Schedule XII, determined by reference to the annual consolidated turnover of the Company as per its last audited financial statements.

The applicable Schedule XII threshold is:

Annual consolidated turnover	**Materiality threshold**
Up to ₹20,000 crore	10% of annual consolidated turnover
More than ₹20,000 crore and up to ₹40,000 crore	₹2,000 crore plus 5% of turnover exceeding ₹20,000 crore
More than ₹40,000 crore	₹3,000 crore plus 2.5% of turnover exceeding ₹40,000 crore, subject to a maximum of ₹5,000 crore

The applicable threshold shall be determined in accordance with Schedule XII as amended from time to time.

For transactions involving payments to a related party for brand usage or royalty, the separate materiality criteria prescribed under the applicable SEBI LODR Regulations shall apply.

All transactions shall be aggregated where required under applicable law, including previous transactions with the same related party during the relevant financial year.

6. APPROVAL OF RELATED PARTY TRANSACTIONS

6.1 Audit Committee approval

All related party transactions and subsequent material modifications shall require prior approval of the Audit Committee in accordance with Regulation 23 of the SEBI LODR Regulations, subject to applicable statutory exemptions.

Only those members of the Audit Committee who are permitted to participate under applicable law shall consider the relevant proposal.

The Audit Committee shall review the nature, terms, commercial rationale, pricing, expected benefits and other relevant particulars of the proposed transaction.

6.2 Omnibus approval

The Audit Committee may grant omnibus approval for repetitive related party transactions in accordance with Regulation 23 and other applicable requirements.

The omnibus approval shall specify the related party, nature and period of the transaction, maximum amount, pricing or pricing methodology and other prescribed particulars.

Omnibus approvals shall be reviewed periodically and shall remain valid only for the period permitted under applicable law.

6.3 Board approval

Where required under Section 188 of the Companies Act, 2013 or other applicable provisions, the transaction shall be placed before the Board for prior approval by resolution at a duly convened meeting.

Any director who is interested in a transaction shall disclose the interest and abstain from participation or voting wherever required under applicable law.

6.4 Shareholders' approval

All material related party transactions and subsequent material modifications shall be placed before the shareholders for prior approval in accordance with Regulation 23 of the SEBI LODR Regulations.

No related party shall vote to approve the relevant resolution, whether or not the related party is a party to the particular transaction, except where an express statutory or regulatory exemption applies.

Additional shareholder approval shall be obtained where required under Section 188 of the Companies Act, 2013 and the rules made thereunder.

7. TRANSACTIONS IN THE ORDINARY COURSE OF BUSINESS

The Company shall assess whether a proposed related party transaction is in the ordinary course of business and on an arm's length basis.

Any exemption available under Section 188 of the Companies Act, 2013 for transactions in the ordinary course of business and on an arm's length basis shall apply only to the extent permitted by that section.

Such exemption shall not automatically exempt a transaction from the approval or disclosure requirements under the SEBI LODR Regulations.

8. TRANSACTIONS NOT PERMITTED

The Company shall not enter into any related party transaction that is prohibited under applicable law or that has not received the approvals required under this Policy and applicable statutory or regulatory requirements.

Any transaction requiring prior approval shall not be entered into before obtaining such approval, except where a specific statutory or regulatory provision expressly permits otherwise.

9. DISCLOSURE REQUIREMENTS

The Company shall make disclosures of related party transactions in accordance with Regulation 23 and other applicable provisions of the SEBI LODR Regulations.

The Company shall submit the prescribed disclosures to the stock exchange(s) and publish them on its website within the applicable timelines.

The Company shall also make disclosures in its financial statements, Board's Report and other statutory filings as required under applicable accounting standards and law.

10. REPORTING AND RECORD MAINTENANCE

The Company Secretary, Chief Financial Officer or other designated officer shall coordinate the identification, assessment, approval and disclosure of related party transactions.

The Company shall maintain appropriate records of related party declarations, proposed transactions, approvals, materiality assessments and disclosures.

The Audit Committee and Board shall receive such reports as are required under applicable law and as considered necessary for effective oversight.

11. REVIEW OF POLICY

The Board shall review this Policy at least once every three years and update it as necessary, or earlier where required due to changes in applicable laws, regulations or the Company's business circumstances.

Any amendment shall be approved by the Board and disclosed in accordance with applicable requirements.

12. WEBSITE PUBLICATION

This Policy shall be published on the Company's website in accordance with Regulation 46 of the SEBI LODR Regulations, wherever applicable.

The Company shall ensure that the current approved version is available and updated following any amendment.

13. EFFECTIVE DATE

This Policy shall become effective from the date of approval by the Board of Directors of Kinetic Trust Limited and shall remain in force until amended or replaced.