

AYEPEE LAMITUBES LIMITED

Policy on Materiality and Dealing with Related Party Transactions and Policy on determining material subsidiary.

I. INTRODUCTION

This policy regarding the review and approval of Related Party Transactions has been adopted by the Company's Board of Directors in order to set forth the procedures under which certain transactions must be reviewed and approved or ratified by the Audit Committee/Board of Directors/shareholders as per the Companies Act, 2013 (“**Companies Act**”) and the Listing Agreement executed with the Stock Exchanges (“**Listing Agreement**”).

II. DEFINITIONS

For the purposes of this policy, the following definitions apply:

1. "Related Party" shall have the meaning ascribed to such term Section 2(76) of the Companies Act and the Listing Agreement as may be amended from time to time.
2. "Related Party Transaction" shall have the same meaning as ascribed to such term under the Listing Agreement executed with the Stock Exchanges as may be amended from time to time, including such transactions listed in Section 188(1)(a)-(g) of the Companies Act and any subsequent modifications made thereto.

III. PROCEDURES

1. Unless otherwise provided in this Policy, Related Party Transactions shall be brought to management's and the Board's attention. Each of the Directors and Key Managerial Personnel shall inform the Company Secretary or Compliance Officer or Manger of any potential Related Party Transactions. In addition, each such Director and Key Managerial Personnel shall on an annual basis provide information about any potential Related Party Transactions to the Company Secretary.
2. Prior to the entry into any potential Related Party Transaction, such transaction will be reported to designated person. Any potential Related Party Transaction that is brought to Ayepee`s attention is analyzed in consultation with management; to determine whether the transaction or relationship does, in fact, constitute a Related Party Transaction, requiring compliance with this policy.
3. The Audit Committee shall be provided with the material facts of all new, existing or proposed Related Party Transactions, including modifications proposed to existing Related Party Transactions. The Audit Committee will thereafter determine whether; (i) to approve the Related Party Transaction and refer the Related Party Transaction to the Board of Directors for its consideration and approval as may be required under the

Companies Act or Listing Agreement, or (ii) to disapprove the Related Party Transaction.

4. The Audit Committee shall follow the procedure prescribed below:
 - (i) if the Audit Committee approves the Related Party Transaction, it shall, refer all Related Party Transactions requiring approval of the Board of Directors under this policy or under the Companies Act or any other applicable provisions of law, to the Board of Directors.
 - (ii) if the Audit Committee disapproves a Related Party Transaction, it shall send a written report to the Board, indicating the reasons for disapproving such Related Party Transaction.
 - (iii) Any pre-existing Related Party Transactions, if not previously reviewed, must be either ratified or rescinded by the Audit Committee, and if required under the Companies Act, by the Board of Directors.
 - (iv) In assessing a Related Party Transaction, the Audit Committee / Board of Directors shall consider such factors as it deems appropriate, including without limitation;
 - (a) the business reasons to enter into the Related Party Transaction;
 - (b) the approximate value of the transaction;
 - (c) the general description of the transaction, including the material terms and commercial reasonableness of the terms of the Related Party Transaction;
 - (d) whether the terms and conditions of the related party transactions are on "Arms-length" basis. "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.
 - (e) whether the terms of the Related Party Transaction are fair and on the same basis as would apply if the transaction did not involve a Related Party;
 - (f) the materiality of the Related Party Transaction: Transaction with Related Party will be consider material as per the definition of the Companies Act and/or Listing Agreement from time to time ("**Material Related Party Transactions**")
 - (g) the nature of relationship with the Related Party and the extent of the Related Party's interest in the Related Party Transaction;
 - (h) the actual or apparent conflict of interest of the Related Party participating in the Related Party Transaction;

- (i) necessary compliances as per the FEMA regulations / RBI guidelines with regard to the Related Party Transaction; and
 - (j) whether such transaction is in the ordinary course of business.
5. All Material Related Party Transactions can be entered into only after obtaining the prior approval of the Company's shareholders, whenever it is required so as per applicable statutory provisions.

IV. TRANSACTIONS IN ORDINARY COURSE OF BUSINESS

1. In case of related party transactions in ordinary course of business and at arm's length, provisions of this policy shall be applied as may be decided by the Audited committee or the Board from time to time.
2. The Audit Committee may approve Related Party Transactions intended to be carried out with the Related Parties in particular financial year after taking into consideration the expected volume of such transactions in a financial year and the analysis to show that such transactions are on arms-length basis.
3. The approved transactions and its values shall be monitored and reviewed by the Audit Committee on half-yearly basis.

V. DISCLOSURES

Related Party Transactions shall be disclosed in the Board's report as may be necessary under the applicable provisions.

VI. POLICY ON DETERMINING MATERIAL SUBSIDIARY.

Presently the Company do not have any subsidiary. However as and when relevant, subsidiary company of the Company shall be considered as material if the investment of the Company in the subsidiary exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated 20% of the consolidated income of the Company during the previous financial year. Provisions of Listing Agreements in this respect shall prevail. The Company shall comply necessary provisions in this respect as and when applicable or relevant.

VII. AMENDMENT

Provisions of this Policy may be amended or modified as may be decided by the Board. In case of any statutory provisions is not applicable to the Company, provision of this Policy shall be read and applied in consonance of such provision and/or exemptions available.