ASM TECHNOLOGIES LIMITED
(CIN: L85110KA1992PLC013421)

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

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1. Introduction

As per Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations / SEBI LODR") ASM Technologies Limited (the "Company") has formulated a "Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions" (the "Policy") to ensure approval and reporting of transactions between the Company and its Related Parties.

The Board of Directors (the "Board") of the Company has adopted the Policy to uphold the confidence of the stakeholders and to ensure a transparent mechanism that avoids potential or actual conflict of interest on transactions with Related Parties.

2. Definitions

"Act" means Companies Act, 2013, Rules framed thereunder and any amendments thereto.

"Arm's Length Transaction" means a transaction between two Related Parties that is conducted as if they were unrelated, so that there is no question of conflict of interest.

"Associate Company" in relation to another company, means a company in which that other company has a significant influence, but which is not a Subsidiary Company of the company having such influence and includes a Joint Venture Company as per sub-section (6) of Section 2 of the Act.

Explanation: For the purpose of this clause, **"Significant Influence"** means control of at least 20% (twenty percent) of total voting power, or control of or participation in business decisions under an agreement.

"Audit Committee" or "Committee" means the Committee of the Board formed under Section 177 of the Act and Regulation 18 of the Regulations.

"Board of Directors" or "Board", in relation to a company**,** means the collective body of the directors of the company;

"Body Corporate" or "Corporation" includes a Company incorporated outside India as per sub-section (11) of Section 2 of the Act but does not include -- i. a co-operative Society registered under any law relating to Co-operative Societies; and ii. any other Body Corporate (not being a Company as defined in this Act), which the Central Government may, by notification, specify in this behalf;

"Control" shall include the right to appoint majority of the Directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner as per sub-section (27) of Section 2 of the Act.

"Compliance Officer" means Company Secretary of the Company. Further, Compliance Officer shall be an officer, who is in whole time employment of the listed entity, not more than one level below the board of directors and shall be designated as a Key Managerial Personnel

"Company" means ASM Technologies Limited

"Holding Company" in relation to one or more Companies means a Company of which such Companies are Subsidiary Companies as per sub-section (46) of Section 2 of the Act.

"Key Managerial Personnel" or "KMP" shall have the same meaning as defined in sub-section (51) of Section 2 of the Act.

"Material Related Party Transaction" means a transaction with a related party if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in Schedule XII of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 or such limits as may be prescribed either in the Companies Act, 2013 or the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 as amended from time to time.

"Material Modification" shall mean and include any modification to an existing contract or arrangement with a Related Party having upward or downward variance of 20% in value of the transaction already approved by the Audit Committee / Board / Shareholders, as the case may be or such modification as may be decided by the Audit Committee.

"Materiality Threshold" means limits for Material Related Party Transactions beyond which the Shareholders' approval will be required as specified in Act and rules thereof and amendments thereto.

"Net Worth" means the aggregate value of the paid-up Share Capital and all reserves created out of the profits, securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per sub-section (57) of Section 2 of the Act.

"Ordinary Course of Business ('OCB')" means a transaction which / wherein:

- is carried out in the normal course of business envisaged in accordance with the Memorandum of Association (MoA') of the Company as amended from time to time, or
- is as per historical practice with a pattern of frequency, or
- is in connection with the normal business carried on by the Company, or
- the income, if any, earned from such activity/transaction is assessed as business income in the Company's books of accounts and hence is a business activity, or
- is common commercial practice, or
- meets any other parameters/criteria as decided by the Board / Audit Committee.

"Related Party" means a related party as defined under sub-section (76) of section 2 of the Act or under the applicable accounting standards and Regulation 2(zb) of the SEBI LODR including modifications or amendments made thereto.

"Relative" means any person as defined under Section 2 (77) of the Act and rules prescribed there under.

"Related Party Transaction(s)" shall have the same meaning as specified under the Act and Rules

made thereunder and Regulation 2(1)(zc) of the SEBI LODR including any modifications or amendments made thereto.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation.

3. Purpose

The purpose of the policy is to:

- Regulate transactions between the Company vis-à-vis its Related Parties with a view to ensure that such transactions are executed on an arm's length basis and in a transparent and fair manner as per the Act and Rules made there under and the Regulations as amended from time to time.

- Seek necessary approvals of the Audit Committee/Board/Shareholders, as may be necessary, after providing necessary information to them in the prescribed manner.

- Outline the procedures for identification, review, disclosure, and reporting of such transactions.

4. Policy

All Related Party Transactions and subsequent material modifications shall require prior approval of the Audit Committee. Provided that only those members of the Audit Committee, who are independent directors, shall approve Related Party Transactions, whether at a meeting or by resolution by circulation or any other manner as provided by the Companies Act, 2013 and Rules made thereunder or by Secretarial Standards.

Further, a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of a 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, exceeds the lower of the following:

(i) Ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or
(ii) The threshold for material related party transactions of Company as specified in Schedule XII, as stated above.

In the event of a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of a Company is a party but the Company is not a party and such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the audit committee of the Company shall be obtained if the value of such transaction exceeds the lower of the following:

(i) Ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or
(ii) The threshold for material related party transactions of listed entity as specified in Schedule XII, as stated above:

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee

However, prior approval of the Audit Committee of the Company shall not be required for a Related Party Transaction to which the listed subsidiary is a party but the Company is not a party, if Regulation 23 and Regulation 15(2) of SEBI LODR are applicable to such listed subsidiary. For sake of clarity, for Related Party Transactions of unlisted subsidiaries of a listed subsidiary to which the Company is not a party, the prior approval of the Audit Committee of the listed subsidiary shall suffice.

Further, remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the Audit Committee provided that the same is not material as defined in this policy or under Regulation 23 of SEBI LODR including modifications or amendments made thereto.

Post-Facto Ratification of Related Party Transactions:

The members of the Audit Committee, who are independent directors, may ratify Related Party Transactions within three months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, subject to the following conditions:

i. The value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;

ii. The transaction is not material as defined in this policy

iii. Rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification

iv. The details of ratification shall be disclosed along with the disclosures of Related Party Transactions to be made to the stock exchanges in the format as specified by the SEBI LODR from time to time and published on the Company's website

v. Any other condition as specified by the Audit Committee

Provided that failure to seek ratification of the Audit Committee shall render the transaction voidable at the option of the Audit Committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

5. Identification of Related Party

Every Director and Key Managerial Personnel of the Company shall be responsible for providing a list of his/her Related Parties as defined under Section 2(76) of the Companies Act, 2013 to the Company Secretary of the Company on an annual basis.

Every Director and the Key Managerial Personnel shall be responsible for updating the Company

Secretary of any change in the above list immediately upon him/her becoming aware of such change.

6. Identification of Related Party Transaction(s)

The Chief Financial Officer of the Company shall be responsible for determining whether a transaction would constitute a Related Party Transaction in terms of the provisions of the Companies Act, 2013, the Regulations, and applicable Accounting Standards, and shall seek necessary approvals prior to entering into the Related Party Transaction in terms of the Policy.

7. Omnibus Approval by the Audit Committee

All Related Party Transactions shall require prior approval of the Audit Committee as provided by the Companies Act, 2013, and Rules made thereunder, Secretarial Standards and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the Audit Committee may grant omnibus approval for Related Party Transactions, proposed to be entered by the Company or its subsidiary, as per the following terms of reference approved by the Board:

- The Audit Committee shall consider the following factors while specifying the criteria for granting omnibus approval:
  - ✓ Repetitiveness/ frequency of the transaction;
  - ✓ Justification for the need of Omnibus Approval.
  - ✓ The Audit Committee shall satisfy itself of the need for such omnibus approval and that such approval is in the interest of the Company.

- The omnibus approval shall specify:
  - ✓ the name/s of the Related Party, nature of transaction, 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.

- Where the need for Related Party Transaction 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 crore per transaction.

- 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.

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

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

8. Materiality Thresholds

Regulation 23 of the Regulations requires the Company to provide materiality thresholds for transactions beyond which the shareholders' approval will be required. The Company has fixed its materiality thresholds at the level prescribed under explanation to Regulation 23(1) of the Regulations as under:

- In case of Transactions involving payments made to a Related Party with respect to brand usage, if it exceeds Five percent (5%) of the annual consolidated turnover of the Company as per its last audited financial statements.

- In case of any other Transaction, whether entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in Schedule XII of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015.

9. Approval of the Board of Directors

As per the provisions of Section 188 of the Act all Related Party Transactions specified under the said section and which are not in the ordinary course of business or are not at arm's length are required to be placed before the Board for its approval.

In addition to the above, the following kinds of transactions with Related Parties are also placed before the Board for its approval:

- Transactions which may be in the ordinary course of business and at arm's length basis, but which, as per the policy determined by the Board from time to time require Board approval in addition to Audit Committee approval;

- Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval; and

- Transactions meeting the materiality thresholds laid down in Clause 8 of the Policy, which are intended to be placed before the shareholders for approval.

Where any director is interested in any contract or arrangement with a Related Party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

10. Approval of shareholders of the Company

All Material Related Party Transactions and subsequent material modifications as defined by the Audit Committee shall require prior approval of the shareholders through resolution and no Related Party shall vote on such resolutions whether the entity is a Related Party to the particular transaction or not. However, the said requirement would not be applicable in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016 subject to the event being disclosed to the

recognized stock exchanges within one day of the resolution plan being approved.

The omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Companies Act, 2013 or rules, notifications, or circulars issued thereunder from time to time:

Provided further that in case of omnibus approvals for material related party transactions, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

Further, prior approval of the shareholders of the Company shall not be required for a Related Party Transaction to which the listed subsidiary is a party but the Company is not a party, if Regulation 23 and Regulation 15(2) of SEBI LODR are applicable to such listed subsidiary. For sake of clarity, for Related Party Transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

In addition to the above, all transactions specified under Section 188 of the Act as mentioned below require approval of Shareholders:

- Transactions which are not in the ordinary course of business or not at arm's length basis; and

- Transactions which exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 (as amended from time to time).

The approval of Audit Committee, Board of Directors and Shareholders of the Company for following Related Party Transactions shall not be required:

- For transactions entered into between the holding company of the Company and its wholly owned subsidiary; whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval and

- Transactions entered into between two wholly-owned subsidiaries of the listed holding Company, whose accounts are consolidated with such holding company and placed before the shareholders of such holding company at the general meeting for approval.

- Transactions which are in the nature of payment of statutory dues, statutory fees, or statutory charges entered into between an entity on one hand and the Central government or any State government or any combination thereof on the other hand.

No Related Party shall vote to approve the resolution whether the entity is a Related Party to the particular transaction or not.

11. Minimum information to the Board/Audit Committee and/ or Shareholders for approval of Related Party Transactions

For all Related Party Transactions placed before the Board/Audit Committee and/or the shareholders of

the Company for approval, the agenda note, explanatory statement and disclosures shall include minimum information as prescribed under the Regulations, Act, rules, Industry Standards on Related Party Transactions, as issued by the Industry Standards Forum (ISF) and notified by SEBI from time to time and/or applicable laws in this regard from time to time.

12. Related Party Transactions not approved under this Policy

Any transaction carried out without appropriate approval in accordance with this policy will be reviewed by the Audit Committee. The Audit Committee shall examine the facts and circumstances pertaining to failure to report and any failure of the systems, and take such action as it deems appropriate, including ratification, revision, or termination of such Related Party Transaction. The Audit Committee may require further approval of the Board or Shareholders, if necessary. In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced the transaction becomes voidable at the committee's discretion and if the transaction is with a related party to any director or authorized by any other director, the concerned director(s) shall indemnify the company against any losses incurred by it.In connection with any review/approval of a Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

13. Limitation, Review and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or Regulations or any other statutory enactments, rules, the provisions of such Act or Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy. The Policy shall be reviewed by the Board at least once every three years and updated accordingly.

14. Disclosure and Reporting

Appropriate disclosures as required under the Act and the Regulations will be made in the Annual Return, Board's Report and to the Stock Exchanges. The Policy shall also be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.

The Company shall disclose to the Stock Exchanges along with the compliance report on corporate governance on a quarterly basis, details of all material RPTs with related parties. In addition, the Company shall also submit to the stock exchanges disclosures of RPTs in the format as specified by the SEBI from time to time, and publish the same on its website in accordance with the SEBI LODR.

The Company shall submit the disclosures of related party transactions on a consolidated basis every six months on the date of publication of its standalone and consolidated financial results in the format as specified by the Securities and Exchange Board of India from time to time and publish the same on its website.

The remuneration and sitting fees paid by the Company or its subsidiary to its directors, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require disclosure to the stock exchanges as stated above, provided that the same is not material as defined in this policy.

Note: This policy has been reviewed and approved by the Board of Directors of the Company and Audit Committee at their respective meetings held on May 09, 2026 and shall be effective from the financial year 2026-27 onwards.