

Aeroflex Neu Limited

(Formerly as Sah Polymers Ltd.)

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POLICY ON MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS

AEROFLEX NEU LIMITED

(FORMERLY KNOWN AS SAH POLYMERS LIMITED)

INTRODUCTION AND BACKGROUND

Aeroflex Neu Limited (formerly known as Sah Polymers Limited) (“Company/ Listed Entity”) recognizes that Related Party Transactions can create potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company's and its stakeholders' best interests.

1. Scope & Purpose

Considering the requirements of approval of related party transactions as required under the Companies Act, 2013 (the “Act”) read with the rules framed thereunder and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements), 2015 (“SEBI LODR”), (as amended from time to time), Company has formulated guidelines for identification of related parties and proper reporting, approval and disclosure of all related party transactions.

Regulation 23(1) of SEBI LODR 2015, requires a company to formulate a policy on materiality of related party transactions and on dealing with related party transactions,

In light of the above, the Company has framed the Policy on Materiality of and Dealing with Related Party Transactions (“RPT Policy”). This RPT Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee.

In the event of any conflict between the provisions of this RPT Policy and of the Act or SEBI LODR 2015 or any other statutory enactments, rules, the provisions of such Act or SEBI LODR 2015 or statutory enactments, rules shall prevail over this RPT Policy.

2. Definitions

- a) “**Act**” shall mean the Companies Act, 2013 and Rules made thereunder and includes any amendment thereof.
- b) “**Arms’ 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.
- c) “**Ordinary course transaction**”: A transaction could be considered in “ordinary course of business” if
 - Carried out in the normal course of business envisaged in accordance with the Memorandum of Association of the Company as amended from

time to time;

- In connection with the normal business carried out by the Company;
- Historical practice with a pattern of frequency;
- Common commercial practice;
- Meets any other parameters / criteria as decided by the Board from time to time.

d) **“Related Party”** as per the provisions of Companies Act, 2013 and SEBI LODR 2015 shall mean:

- (i) a related party as defined under Section 2(76) of the Act;
- (ii) a related party as defined under the applicable Indian Accounting Standards;
- (iii) any person or entity forming a part of the Promoter or Promoter group of the Company;
- (iv) any person or entity, holding equity shares of 20% (10% effective from April 1, 2023) or more in the Company, either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediately preceding financial year.

e) **“Related Party Transaction”** means a transaction involving a transfer of resources, services or obligations between: (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or (ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023; regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract:

f) **Materiality Thresholds**

A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds the following:

Consolidated Turnover of Listed Entity	Threshold
Up to Rs. 20,000 Crore	10% of the annual consolidated turnover of the listed entity
More than Rs. 20,000 Crore to upto Rs. 40,000 Crore	Rs. 2,000 Crore + 5% of the annual consolidated turnover of the listed entity above Rs. 20,000 Crore
More than Rs. 40,000 Crore	Rs. 3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above Rs. 40,000 Crore or Rs. 5000 Crores, whichever is lower.

Note: The annual consolidated turnover of the listed entity shall be determined based on the last audited financial statements of the listed entity.

g) Material Modification to Related Party Transactions

The Audit Committee shall consider the following as material modification to an RPT:

Material Modification” means any change in the value of transaction exceeding 20% of the value of the original transaction with the related party already approved by the Audit Committee / Governing Board / Shareholder

3. Manner of dealing with related party transactions:

a) Identification of related parties

The Company identifies and regularly updates the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 23 of LODR and applicable Accounting Standards.

b) Identification of related party transactions

The Company regularly identifies related party transactions in accordance with Section 188 of the Companies Act, 2013, Regulation 23 of LODR and applicable Accounting Standards. The Company shall determine whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company may seek external professional opinion, if necessary.

4. Approval for transactions entered by the Subsidiary to which the Company is not a party:

A related party transaction above Rs. 1 crore, whether entered into individually or taken together with previous transactions during a financial year, 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, exceeds the lower of the following:

- (i) 10% 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 the Company as specified in the table given in clause 2(f) above.

5. Approval for transactions entered by the Newly Incorporated Subsidiary to which the Company is not a party:

In the event of a related party transaction above Rupees 1 crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of a listed entity is a party but the listed entity is not a party and such subsidiary does not have audited financial statements for a period of at least 1 year, prior approval of the audit committee of the listed entity shall be obtained if the value of such transaction exceeds the lower of the following:

- (i) 10% 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 the table given in clause 2(f) above.

6. Review and Approval of Related Party Transaction:

a) Approval of the Audit Committee

- i) All the transactions which are identified as related party transactions and subsequent material modifications requires prior approval of the Audit Committee.

Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions. The Audit Committee shall consider all relevant factors while deliberating the related party transactions for its approval.

- ii) All the information as stipulated in the SEBI LODR 2015/ Industrial Standards for minimum information to be placed before the Audit Committee or under such other regulations, as may be applicable, for seeking approval to the related party transactions, shall be placed before the Audit Committee.
- iii) Any member of the Committee who has a potential interest in any related party transaction will abstain from discussion and shall not vote to approve such related party transaction.

A related party transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board of Directors or of shareholders as discussed subsequently.

- iv) Prior approval of the audit committee of the Company shall not be required for a related party transaction to which the listed subsidiary, if any, is a party but the Company is not a party, if Regulation 23 and Regulation 15(2) of SEBI LODR 2015 are applicable to such listed subsidiaries.

7. Omnibus Approval by the Audit Committee:

- i. The Audit Committee may grant omnibus approval for related party transactions of the Company or its subsidiary which are repetitive in nature and subject to compliance of criteria/conditions as mentioned in Regulation 23 of SEBI LODR 2015 and Rule 6A of Companies (Meetings of the Board and its Powers) Rules 2014 and such other conditions as it may consider necessary in line with this RPT Policy and in the interest of the Company.

Such omnibus approval shall be valid for a period not exceeding 1 year and shall require fresh approval after the expiry of 1 year.

- ii. The Omnibus Approval shall specify the following:
- a. the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into;
 - b. the indicative base price / current contracted price and the formula for variation in the price if any;
 - c. such other conditions as the Audit Committee may deem fit;
 - d. The maximum value per transaction which can be allowed;
 - e. Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - f. Review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the Company pursuant to each of the omnibus approvals made;
 - g. Transactions which cannot be subjected to omnibus approvals by the Audit Committee.
- iii. However, in case of related party transaction which cannot be foreseen and where the above details are not available, the Audit Committee may grant omnibus approval, provided the value does not exceed Rs.1 Crore per transaction.

- iv. The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approval given.
- v. A related party transaction entered into by the Company, which is not under omnibus approval or otherwise pre-approved by the Committee, will be placed before the Committee for ratification as mentioned in clause 8 below

8. Ratification of Related Party Transactions:

The members of the audit committee, who are independent directors, may ratify related party transactions within 3 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 1 crore;
- (ii) the transaction is not material in terms of the provisions of Regulation 23(1) of SEBI LODR as mentioned in clause 2f above;
- (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 in terms of the provisions of Regulation 23 (9) of SEBI LODR 2015;
- (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 listed entity against any loss incurred by it.

9. Approval of the Board of Directors (Board)

- i) As per the provisions of Section 188 of the Act, related party transactions which are (i) not in the ordinary course of business, or (ii) not at an arm's length price, require prior approval of the Board.
- ii) The threshold limits of the related party transactions to be approved by the

Board shall be as per the Companies Act, 2013 and SEBI LODR 2015 and other applicable regulations as amended from time to time.

- iii) The Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances.

Any member of the Board who has any interest in any related party transaction will abstain himself from discussion and voting on the approval of the related party transaction.

- iv) In addition to the above, the following types of transactions with related parties should also be placed before the Board for its approval:
- Transactions which may be in the ordinary course of business and also at an arm's length basis, but which are as per the RPT policy be determined by the Board from time to time (i.e. value threshold and /or other parameters) require Board's approval in addition to Audit Committee approval;
 - Transactions in respect of which 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;
 - Transactions meeting materiality thresholds laid down in clause 2(f) of this RPT Policy which are intended to be placed before the Shareholders for approval.

10. Approval of the shareholders of the Company

- i) The following types of transactions require the approval of the shareholders:
- a) If transactions with related parties exceed the materiality threshold specified in Clause 2(f) and subsequent material modifications as specified in Clause 2(g) of this RPT policy;
 - b) If transactions with related parties not in the ordinary course of business and/or not on arm's length basis and/or exceeds the threshold limits laid down in the Companies (Meetings of Board and its Powers) Rules, 2014:

For this purpose, all the entities falling under the definition of Related Parties shall not vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not.

- ii) The provisions of Regulation 23 (2), (3) and (4) of SEBI LODR 2015 shall not be applicable to:
 - a) transactions between the Company and its wholly owned subsidiary/ies whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
 - b) Further, transactions entered into between two wholly-owned subsidiaries of the Company whose accounts are consolidated with the Company and placed before the shareholders at a general meeting for approval.
- iii) Validity of 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.
 - 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.

11. DISCLOSURES

- The Company shall disclose, in Board's report, transactions prescribed in Section 188(1) of the Act with related parties which are not in the ordinary course of business or not on arm's length basis along with justification for entering into such transactions. Also, the Company shall, in the Board's Report, disclose material transactions which were entered into on arm's length basis.
- In addition to the above, the Company shall also provide details of all related party transactions meeting the materiality threshold (as defined in Clause 2(f) above) on a quarterly basis to Stock Exchanges on which the securities of the Company are listed. This RPT Policy shall also be uploaded on the website of the Company and a web link thereto shall be provided in the Annual Report.
- The listed entity shall submit on the date of publication of its standalone and consolidated financial results for every 6 months, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.

12. Review and Amendments

- The Policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in this RPT policy due to changes in the Regulations or as may be felt appropriate by the Committee. Any changes or modification on this RPT Policy as recommended by the Committee would be presented for approval of the Board of Directors. Provided that this RPT Policy shall be reviewed by the Board at least once every three years and updated accordingly.

This Policy is lastly amended as per the recommendations of the Audit Committee meeting held on May 08, 2026 and approved by the Board of Directors at its meeting held on May 08, 2026
