



POLICY ON RELATED PARTY TRANSACTIONS

This Policy on Related Party Transactions is framed in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

PRIOR APPROVAL OF AUDIT COMMITTEE

1. The Company shall not enter into any contract or arrangement with its related party (other than wholly owned subsidiaries) or related party of any of its subsidiaries, without the prior approval of the Audit Committee.

A subsidiary of the Company shall not enter into any contract or arrangement with its related party or that of the Company or any of the Company's other subsidiaries (other than transaction between two wholly owned subsidiaries), as the case may be, where the value of the transaction (either individually or taken together with previous transactions during a financial year) exceeds the threshold prescribed under the applicable laws / regulations, without the prior approval of the Company's Audit Committee.

To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits/ loss to the Company, and any other relevant matters.

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary.

OMNIBUS APPROVAL FOR RELATED PARTY TRANSACTIONS

2. The Audit Committee shall, after obtaining approval of the Board of Directors of the Company ('the Board'), specify the criteria for omnibus approval for related party transactions entered into by the Company or its subsidiaries subject to the following conditions:

- a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with this policy and such approval shall be applicable in respect of transactions which are repetitive in nature.
- b. The Audit Committee shall satisfy itself on the need for such omnibus approval and that such approval is in the interest of the Company;

The Audit Committee shall, after obtaining approval of the Board of Directors of the Company ('the Board'), specify the criteria for omnibus approval for related party transactions entered into by the Company or its subsidiaries, which shall include the following:

- i. Maximum value of related party transactions, in aggregate, which can be allowed under the omnibus approval mechanism;
 - ii. Maximum value per related party transaction which can be allowed;
 - iii. Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - iv. Review, at such intervals as the Audit Committee may deem fit, of related party transactions entered into pursuant to each of the omnibus approval given;
 - v. Related party transactions which cannot be covered under the omnibus approval mechanism.
3. Based on the criteria under (2) above, the Audit Committee may, in the interest of the conduct of affairs of the Company or its subsidiaries, as the case may be, grant omnibus approval for related party transactions that are repetitive in nature.

The Audit Committee may also grant omnibus approval for related party transactions entered into by the Company or its subsidiaries (subject to individual limit per transaction and aggregate limit for all such transactions) that cannot be foreseen and for which the aforesaid details are not available.

4. While assessing a proposal for approval under the omnibus mechanism, the Audit Committee shall satisfy itself on the need for such approval and that the same is in the interest of the Company or its subsidiaries, as the case may be.
5. Transactions of the following nature shall be outside the purview of the omnibus approval mechanism:
- i. Transactions which are not in the ordinary course of business or not at arm's length.

- ii. Transactions which are not repetitive or unforeseen in nature.
 - iii. Transactions exceeding the threshold limits specified for omnibus approval.
 - iv. Inter-corporate loans given / taken to / from related parties and purchase / sale of investments from / to related parties.
 - v. Transactions in respect of sale or disposal of undertaking.
 - vi. Any other transaction as may be specified by the Audit Committee.
6. Such omnibus approval referred to in (2) and (3) above shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
7. The Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into pursuant to each of the omnibus approval given.

TRANSACTIONS NOT IN ORDINARY COURSE OF BUSINESS OR NOT AT ARM'S LENGTH

8. In the event any contract or arrangement with a related party is not in the ordinary course of business or not at arm's length, the Company shall comply with the provisions of the Companies Act, 2013 and the Rules framed thereunder and obtain approval of the Board or the shareholders, as applicable, for such contract or arrangement.

MATERIAL RELATED PARTY TRANSACTIONS

9. All material related party transactions, other than those with / between wholly owned subsidiaries, shall be placed for approval of the shareholders of the Company.

A transaction with a related party will be considered material if the transaction / transactions to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds ₹ 1,000 crores or ten percent of the annual consolidated turnover (or such other limit as may be specified under the applicable laws / regulations, as the case may be) as per the last audited financial statements of the Company, whichever is lower.

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds five percent of the annual consolidated turnover as per the last audited financial statements of the Company.

MODIFICATIONS TO RELATED PARTY TRANSACTIONS

10. Subsequent modifications to the related party transactions of the Company shall require approval of the Audit Committee and / or shareholders, as applicable. In respect of the approved related party transactions of the subsidiaries (where the Company is not a party), only material modification(s) shall require approval of the Audit Committee and / or shareholders of the Company, as applicable.

Material modification(s), for this purpose, are those modifications that result in an increase of more than Thirty percent of the amount approved by the Audit Committee and / or shareholders, as applicable.

The Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction.

In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

RATIFICATION OF RELATED PARTY TRANSACTIONS

11. In exceptional circumstances, related party transactions, other than unforeseen transactions referred to under Para (3) of this Policy, may be ratified by the Audit Committee within three months from the date of the transaction or at the next meeting of the Committee, whichever is earlier, subject to the following conditions:

- (a) the value of such transaction, whether entered into individually or taken together with previous transactions during a financial year, does not exceed ₹ 1 crore;
- (b) the rationale for inability to seek prior approval for the transaction shall be placed before the Committee at the time of seeking ratification;
- (c) the details of ratification shall be disclosed along with the disclosure of related party transactions to the Stock Exchanges as prescribed under the applicable laws / regulations;
- (d) any other condition or information as may be specified by the Audit Committee.

GENERAL

12. Related party transactions that are required to be approved by the Board and / or any other Board Committee shall not require separate approval of the Audit Committee, such as transactions relating to appointment of Directors and Key Managerial Personnel, CSR spends by the Company, etc.

Further, the following shall not require separate approval of the Audit Committee under this Policy:

- a. issue of securities on a preferential basis subject to compliance with the requirements of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - b. corporate actions which are uniformly applicable / offered to all shareholders in proportion to their shareholding, as detailed below:
 - i. payment of Dividend (including Interim Dividend);
 - ii. sub-division or consolidation of securities;
 - iii. issuance of securities by way of rights issue or bonus issue; and
 - iv. buyback of securities;
 - c. retail purchases from the Company or its subsidiaries by Directors or employees without establishing a business relationship and on terms which are uniformly applicable / offered to all Directors and employees;
 - d. remuneration and sitting fees paid by the Company or its subsidiaries to its Directors, Key Managerial Personnel and Senior Management;
 - e. such other transactions as may be prescribed under the applicable laws / regulations.
13. Approval requirements mentioned herein above shall also apply to those transactions undertaken by the Company or any of its subsidiaries on the 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 Company or any of its subsidiaries.
14. Disclosures in respect of related party transactions will be made in accordance with the applicable laws / regulations.



VOTING REQUIREMENTS

15. Any member of the Audit Committee/Board of Director/Shareholder who has a potential interest in any Related Party Transaction will abstain from any discussions or voting on such proposals.

AMENDMENT AND REVIEW

16. In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail. Any amendments, clarifications, circulars etc. issued by the relevant authorities, not being consistent with the terms of the Policy, shall be deemed to have been incorporated in the Policy.

This Policy will be communicated to all operational employees and other concerned persons of the Company.

This Policy will be reviewed every three years, and will be posted on the Company's corporate website <https://www.tembo.in/> and web link thereto will be disclosed in the Annual Report of the Company.

This Policy was approved by the Board on 1st October, 2018 and last amended on 10th February, 2025.