

ACC LIMITED

POLICY OF RELATED PARTY TRANSACTIONS FOR
ACQUIRING AND SALE OF ASSETS

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(A) Preamble

This policy has been framed with intent to have a clear, transparent method to be followed while acquiring / sale of any assets from related parties.

This policy is supplement in nature and is addition to the existing policy framed pursuant to the regulatory requirement of the Companies Act and Listing Regulations and is in line with the commitment of the company to enhance governance regime.

(B) Register of List of Related Parties

The company secretary will prepare and maintain a list of all related parties including holding, subsidiaries, associates, joint ventures of the company and to review/ update the same on the quarterly basis.

(C) Definition of Arm's Length Basis

Any transaction a related party undertakes for acquiring/sale of assets through open bid by individuals/ companies will be treated as an arm's length transaction. For such transactions, ACC Limited will follow the below mentioned process:

(D) Process to be followed when the transactions are at an Arm's length: -**1. Internal Business Team**

Internal Business team will review the opportunity and submit a proposal to the Executive Committee for its consideration.

2. Appointment of External Agency

The proposal will be referred to a reputed agency for seeking their opinion on business case and valuation. It can be a leading domestic or global investment bank. If the transaction is greater than 5% of the market cap of ACC then atleast two external agencies will be appointed.

3. Executive Committee

The Executive Committee will comprise of 3 Members. The Chairman of Audit Committee (Independent Director) will be one of the members of the Executive Committee.

Post receipt of opinion from the external agency, Executive Committee will deliberate on the proposal and will provide their opinion to the Board of Directors within 15 days.

4. Management Presentation

The member nominated by the Executive Committee will make a presentation on the decision taken by the Executive Committee through Audit Committee to the Board of Directors.

5. Approval

Board of Directors will deliberate and give their decision. Once the same is approved by Board of Directors the transaction will be concluded.

(E) Process to be followed when the transactions are not at an Arm's length: -

In case of transactions which are not on Arm's length (transactions with related party being bilateral) the following procedure will be followed.

1. Internal Business Team

Internal Business team will review the opportunity and submit a proposal to the Executive Committee for its consideration.

2. Appointment of External Agency

The proposal will be referred to a reputed agency for seeking their opinion on business case and valuation. It can be a leading domestic or global investment bank. If the transaction is greater than 5% of the market cap of AEL than atleast two external agencies will be appointed.

3. Executive Committee

The Executive committee will comprise of 3 Members. The Chairman of Audit Committee (Independent Director) will be one of the members of the Executive Committee.

An expert on the subject will be provided to assist the Executive Committee. The Expert will give his advice to the Executive Committee.

Once, the opinion from the external agency is received, the Executive Committee will decide on the proposal and will provide their opinion to the Board of Directors within 15 days.

4. Management Presentation

The member nominated by the Executive Committee will make a presentation on the decision taken by the Executive Committee through Audit Committee to the Board of Directors.

5. Approval

Board of Directors will deliberate and give their decision. If the Board of Directors approve the proposal and if the same exceeds 5% or more of the market cap of AEL (volume weighted average of last 6 months), the board of directors will be presented with an independent audit report by one of global big 4 audit firms confirming that all required processes were followed as per this policy, further this vote will be by independent directors only.

Once the same is approved by a majority vote of independent directors the transaction will be concluded.
