

SWAN ENERGY LIMITED

POLICY ON MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS (RPT)

1. Preamble

- (a) In compliance of the Companies Act 2013 & its Rules and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors (the "Board") of **Swan Energy Limited** (the "Company") has formulated the following policy with respect to RPT.
- (b) The Policy is intended to ensure procedural fairness, proper approval and reporting of transactions between the Company and any of its related parties.

2. Objective

- (a) To ensure due compliance with the applicable provisions by ensuring that:
 - i. Related Parties are identified requisite approvals are obtained;
 - ii. RPT are evaluated and recorded;
 - v. Proper disclosures of the Policy and the RPT are made, including disclosure of all transactions in the Annual Financial Statements.
- (b) To ensure transparency & fairness is defined and followed for approval / ratification and disclosure of transactions between the Company and any of its Related Parties;

3. Scope of the Policy

This Policy sets out the guidelines and procedures that apply in respect of transactions entered into by the Company with a Related Party.

4. Definitions

a. Material Related Party Transactions (MRPT): A transaction if it, together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

b. All other terms used hereunder shall have the same meaning as given in the Companies Act, 2013 and Rules made there under and / or the SEBI (LODR) Regulations, 2015-

5. The Policy

a. Audit Committee (the "committee") Approval

All RPT shall require prior approval of the Committee, which shall consider the following factors while deliberating the RPT for its approval:

- i. Name of party and details explaining nature of relationship;
- ii. Nature of transaction and material terms thereof including the value, if any;
- iii. Business rationale for entering into such transaction;
- iv. Fair and on arm's length basis
- v. Whether the Related Party Transaction would affect the independence of an independent Director and
- vi. Any other information, relevant or important for the Committee to take a decision.

The Committee may grant **Omnibus Approval** for the proposed RPT, which are repetitive in nature, after laying down the criteria and satisfying itself regarding the need in the best interest of the company. Such Omnibus approvals shall be reviewed once in a quarter and shall be valid for period not exceeding one year and require fresh approval thereafter.

b. Board of Directors Approval

All RPT that are:

- not in the ordinary course of business, or
 - in the ordinary course of business but not at arms' length or
 - neither in the ordinary course of business nor at arms' length,
- shall require the prior approval of the Board of Directors.

c. Shareholders' Approval

i- The transactions as mentioned in the Clause (b) above, or which exceeds the limits mentioned in Rules 15(3) of the Companies (Meeting of Board and its Power) Rules, 2014, shall require prior approval of the Company by a special resolution.

ii- All **MRPT** shall require approval of the shareholders through resolution and the related parties shall abstain from voting on such resolutions.

d. RPT Not Approved Under This Policy

Any RPT, entered into by the Company, without being approved under this Policy, shall be reviewed by the Audit committee and/or Board, which shall decide such action as it may consider appropriate, including ratification, revision or termination of the RPT.

6. Procedure

a. Ascertaining Related party

i. Every director/KMP shall, at the first meeting of the Board in which he participates as a director/KMP and thereafter, at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his/her concern or interest in any company or companies or bodies corporate, firms, or other association of individuals in Form MBP-1.

ii. The Company Secretary, based on declaration in MBP-1 and other available information, shall identify all related parties. Company Secretary shall at all times maintain a database of Company's Related Parties in a Register & it shall be updated whenever necessary and shall be reviewed in each quarter.

7. Amendment

The Audit Committee or Board shall have all the right to amend this Policy. However, this Policy may stand amended because of any regulatory amendments, clarifications etc. in the applicable laws. The amendment shall be deemed to be effective from the date on which such regulatory amendments, clarifications etc. comes into force.

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