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

Effective Date: August 12, 2026

(Adopted by Board of Directors in Board meeting held on August 12, 2026)

[Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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1. INTRODUCTION, SCOPE & PURPOSE OF POLICY

Spectrum Talent Management Limited **("Company")** recognizes that related party transactions can present actual or potential conflict of interests which may be against the best interests of the Company or its shareholders. Accordingly, the Board of Directors **("the Board")** of the Company, upon recommendation of the Audit Committee, has adopted this policy and procedures regarding dealing with the Related Party Transactions **("the Policy").**

This Policy is formulated as per the requirement of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("**Listing Regulations**") read with the provisions of Section 2(76), 177 and 188 of the Companies Act, 2013 and the Indian Accounting Standards & relevant rules made thereunder as amended from time to time.

2. OBJECTIVE OF THE POLICY

The objective of this Policy is to set out:

a) the materiality thresholds for related party transactions;
b) the material modification thresholds for related party transactions; and
c) the manner of dealing with and disclosing the transactions between the Company and its related parties based on the Act, Regulation 23 of the Listing Regulations and any other laws and regulations as may be applicable to the Company.

3. DEFINITIONS

Definition of some of the key terms used in this policy are given below:

3.1 'Act' means Companies Act, 2013, and the rules thereunder, as amended from time to time.

3.2 'Arm's Length Transaction' means a transaction between the two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

3.3 'Audit Committee' or **'Committee'** means the Committee of the Board formed under Section 177 of the Act and Regulation 18 of the Listing Regulations.

3.4 '**Ind AS**' means the Indian Accounting Standard 18 and 24 on Related Party Disclosures

3.5 '**Material Modification'** shall mean and include:

3.5.1 any modification to an existing related party transaction exceeding 20% of the existing limit as sanctioned by the Audit Committee / Board, as the case may be;

3.5.2 any modification to an existing material related party transaction, exceeding 20% of the existing limit, as sanctioned by the shareholders.

3.6 '**Ordinary course of business**' means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and

activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association. The Board and Audit Committee may lay down the principles for ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.

3.7 '**Ratification'** means post facto approval of (i) a Related Party Transaction or (ii) subsequent Material Modification in the terms of Related Party Transactions already approved by the Audit Committee or the Board of Directors, as the case may be.. A transaction once ratified by the competent authority will be treated as approved from the inception of the transaction.

3.8 'Stock Exchanges' means the stock exchanges where the equity shares of the Company are listed.

The term **Related Party, Related Party Transactions ("RPT/RPTs")** and **Relative** will carry the meaning as stated under the Act read with relevant rules made thereunder and the Listing Regulations.

Words and expressions not defined in this Policy shall have the same meaning as contemplated in the Act read with the rules made thereunder, the Listing Regulations and any other applicable laws or regulations.

4. THRESHOLDS / TERMS AND REFERENCES

Material Related Party Transaction (Material RPT)

A transaction with a related party shall be considered **material**, if the transaction value (individually or taken together with previous transactions during a financial year, including by ratification) exceeds the threshold prescribed hereunder based on the Company's annual consolidated turnover:

Turnover (Consolidated)	**Materiality Threshold**
Up to INR 20,000 crore	10% of annual consolidated turnover
INR 20,001 – INR 40,000 crore	INR 2,000 crore + 5% of consolidated turnover above INR 20,000 crore
Above INR 40,000 crore	INR 3,000 crore + 2.5% of consolidated turnover above INR 40,000 crore (capped at INR 5,000 crore)

For this purpose, any transaction involving payments made to related party with respect to brand usage or royalty, either individually or taken together with previous transactions during a financial year, exceeding ***five percent (5%)*** of the annual consolidated turnover of the Company as per the Company's last audited financial statement, shall also be considered as Material Related Party Transaction.

5. APPROVAL MATRIX OF POLICY

5.1 Audit Committee

5.1.1 The Company shall not enter into any transaction/contract/ arrangement or any Material Modification thereof with a Related Party without the prior approval of the Audit Committee (at a meeting or by way of resolution by circulation) unless the transaction /contract/ arrangement / modification is exempted under the Act or rules made thereunder or under the Listing Regulations. Only those members of the Audit Committee, who are independent directors, shall approve related party transactions.

5.1.2 The Audit Committee may grant omnibus approval for RPT proposed to be entered into by the Company subject to such criteria/ conditions as stated under Regulation 23(3) of the Listing Regulations provided the value does not exceed Rs.1 crore per transaction. Such omnibus approval shall be valid for a period not exceeding one (1) financial year and shall require a fresh approval after expiry of such financial year.

5.1.3 The members of the Audit Committee, who are independent directors, may ratify RPTs, if appropriate, within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to and in compliance with the conditions specified under Regulation 23 of the Listing Regulations. Failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee.

5.1.4 All RPTs executed by the Company during the quarter shall be placed by the Company for the review/noting of Audit Committee quarterly.

5.1.5 Audit Committee shall be provided with a certificate from Chief Executive Officer (CEO)/Managing Director/Whole Time Director and Chief Financial Officer (CFO) of the Company confirming that the terms of RPTs proposed to be entered into are in the interest of the Company.

5.2 Board of Directors

5.2.1 In case any RPTs are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, such transactions shall be effected only with prior approval of the Board of Directors of the Company, on recommendation of the Audit Committee. All Material RPTs and any subsequent Material Modification to a Material RPT, which are intended to be placed before the shareholders for approval. shall be approved and recommended by the Board of Directors.

5.2.2 Any member of the Board who has any interest in any RPT will recuse himself and abstain from discussion and shall not vote to approve the related party transaction.

5.3 Shareholders

5.3.1 The omnibus approval for Material RPTs granted by the shareholders in an annual general meeting, shall be valid till the date of the next annual general meeting for a period not exceeding fifteen months. However, in case of omnibus approval for Material RPTs obtained 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.

5.3.2 All kinds of transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business or not at arm's length basis; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 shall be placed before the shareholders for their approval.

5.3.3 For this purpose, no related party shall vote to approve the relevant resolution irrespective of whether the entity is a related party to the particular transaction or not.

5.4 The Company shall place all information, as prescribed under the Act, Listing Regulations, including the information pursuant to the RPT Industry Standards and circulars issued by SEBI from time to time, before the Audit Committee/Board and Shareholders, as applicable, for their approval/ ratification.

5.5 All RPTs shall be in compliance with the provisions of the Act, Listing Regulations and applicable IND AS, as amended from time to time.

5.6 All domestic related party contracts / arrangements shall, wherever applicable, comply with Domestic Transfer Pricing Requirement under section 92BA of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.

5.7 All international related party contract / arrangements shall comply with International Transfer Pricing Requirement under section 92B of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.

5.8 RPTs with a value not exceeding INR 1 crore in a financial year, whether individually or in aggregate, are exempt from detailed disclosures under the RPT Industry Minimum Standards. However, the minimum information as prescribed under the applicable SEBI circulars shall be placed before the appropriate authority for approval.

6. METHODOLOGY OF PRICE DETERMINATION

6.1 The method and manner of determination of arm's length consideration/ price for RPT shall be based on the broad principles that are usually kept in mind while deciding consideration/ price with an unrelated party. Depending upon the nature and circumstances of transaction any of the following methods shall be followed:

i. Comparable uncontrolled price
ii. Cost plus method
iii. Transactional net margin method
iv. Cost sharing/ allocation
v. Profit Split Method
vi. Reduction of loss method
vii. Resale price method
viii. Any other appropriate method

6.2 To avoid any confusion in understanding the above methods, consideration shall be placed on the provisions of Income Tax Act 1961 and the rules made there under, to the extent applicable.

7. DISCLOSURE

7.1 The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with Related Parties, along with the justification for entering into such transaction.

7.2 Details of RPTs shall be submitted to the stock exchanges in the format as specified by the SEBI, from time to time in the manner and within the timelines set out in the Listing Regulations.

7.3 This Policy shall be disclosed under a separate section on the website of the Company and a web link thereto shall also be provided in the annual report of the Company.

7.4 The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements with any Related Party.

8. AMENDMENT

Any subsequent amendment / modification in the Listing Regulations or the Act or any other governing Act/Rules/Regulations or re-enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and/or amended to that extent, even if not incorporated in this Policy. The provisions of applicable law shall prevail over this Policy.

9. REVIEW

This Policy will be reviewed as and when required but at least once in three years.