

POLICY ON RELATED PARTY TRANSACTIONS

1. Scope and Purpose of the Policy

Related Party Transactions can present potential or actual conflict of interest which may be against the best interest of the Company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (“Act”) read with the rules framed there under and Clause 49 of the Listing Agreement (as amended by SEBI Circulars dated April 17, 2014 and September 15, 2014), **Selan Exploration Technology Ltd.** (“SETL” or “the Company”) has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

In light of the above, SETL has framed this Policy on Related Party Transactions (“Policy”). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee, which would review and amend the Policy, as and when required, subject to the approval of the Board.

2. Materiality Thresholds

Clause 49 of the Listing Agreement requires a company to provide materiality thresholds for transactions beyond which the shareholder’s approval will be required by way of a special resolution. SETL has fixed its materiality threshold at 10% of the annual consolidated turnover of the Company as per last audited financial statements of the Company for the purpose of Clause 49(VII)(C) of the Listing Agreement.

3. Policy

- All related party contracts/arrangements shall be entered on arm’s length basis.
- In exceptional circumstances, where permitted by law, related party contracts/arrangements may deviate from the principal of arm’s length, after approval from Audit Committee.
- All related party contracts/arrangements shall comply with the Companies Act, 2013.
- All related party contracts/arrangements shall comply with Listing Agreement.
- All related party contracts/arrangements shall comply with Accounting Standards.
- Approval of Audit Committee shall be taken for related party contracts/arrangements as required under Companies Act, 2013 and Listing Agreement.
- Company may obtain Omnibus approval from Audit Committee for repetitive transactions subject to compliance of the conditions laid down in the Listing Agreement and Companies Act, 2013.
- All transactions which are not in the ordinary course of business or not at arm’s length shall be placed before the Board for its approval.
- All transactions with related parties meeting materiality thresholds, laid down in Clause 2 of this Policy shall be placed before shareholders for approval.

4. Disclosure

The Related Party Transactions shall be disclosed in the Company’s applicable filings as required by the Companies Act, 2013 and Listing Agreement and the said Policy shall be disclosed on Company’s website and in the Annual Report as prescribed.