

ACE SOFTWARE EXPORTS LIMITED
POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS

1. OBJECTIVE

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations). The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

2. EFFECTIVE DATE

This Policy is effective August 1, 2024.

3. DEFINITION

- a. "Act" shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.
- b. "Board of Directors" or "Board" means the Board of Directors of Ace Software Exports Limited, as constituted from time to time.
- c. "Company" means Ace Software Exports Limited.
- d. "Key Managerial Personnel" mean key managerial personnel as defined in subsection (51) of section 2 of the Companies Act, 2013;
- e. "Listing agreement" shall mean an agreement that is to be entered into between a recognised stock exchange and the Company pursuant to Securities and Exchange Board (Listing Obligations and Disclosure Requirements), 2015
- f. "Material Event" or "Material Information" shall mean such event or information as set out in the Schedule or as may be determined in terms of Clause 3 of the Policy. In the Policy, the words, "material" and "materiality" shall be construed accordingly.
- g. "Material Subsidiary" shall mean any subsidiary company of the Company which is or has been determined as a material subsidiary as per the provisions of the Regulations.
- h. "Policy" means this Policy on criteria for determining Materiality of events or information and as may be amended from time to time.
- i. "Regulations" mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.
- j. "Schedule" means a Schedule III of (Listing Obligations and Disclosure Requirements) Regulations, 2015 2 Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Regulations or any other applicable law or regulation to the extent applicable to the Company.

4. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

Any information or event, whether positive or negative, should be regarded as "material" if it meets the qualitative and/ or quantitative criteria for materiality set out in this Policy, or is deemed to be material under the Applicable Laws. Materiality will be determined on a case to-

case basis depending on specific facts and circumstances relating to the information/event, and Applicable Laws

Events listed in Para A – Part A of Schedule III of Listing Regulations, shall be deemed to be material and shall be disclosed without application of materiality criteria.

Events/information listed in Para B – Part A of Schedule III of the Listing Regulations, shall be considered material if it satisfies the materiality criteria stated below:

1. Qualitative Criteria

- a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- b) the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date; and
- c) any other event/information which is treated as being material in the opinion of the Board of Directors of the Company.

2. Quantitative Criteria

If the value or the expected impact in terms of value of such event or information exceeds the lower of the following:

- a. two percent of turnover, as per the Company's last audited annual consolidated financial statements;
- b. two percent of net worth, as per the Company's last audited annual consolidated financial statements, except in case the arithmetic value of the net worth is negative;
- c. five percent of the average of absolute value of profit or loss after tax, as per the Company's last three audited annual consolidated financial statements.

5. DISCLOSURES OF EVENTS OR INFORMATION

- a. Events specified in Para A, Part A of Schedule III of SEBI Listing Regulations deemed to be material events and the Company shall make disclosure of such events or information as soon as reasonably possible and not later than twenty-four (24) hours from the occurrence of such event or information in the following manner:
 - i. inform the stock exchanges in which the securities of the Company are listed;
 - ii. upload on the corporate website of the Company.

Provided that in case the disclosure is made after twenty-four (24) hours of occurrence of such event or information, the Company shall, along with such disclosure(s) provide an explanation for delay.

- b. The Company shall make disclosure of events as specified in Para B, Part A of the Schedule III of SEBI Listing Regulations based on application of guidelines for determining Materiality as per clause 4 of the Policy.
- b. The Company shall make disclosures updating Material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- c. The Company shall disclose all events or information with respect to its Material Subsidiaries.
- d. The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information and on its own initiative. Further

it shall confirm or deny any event or information to stock exchange(s) reported in the media.

- e. In case where an event occurs or information is available with the Company, which has not been indicated in clause 4, but which may have material effect on it, the Company will make adequate disclosures in regard thereof. All the above disclosures would be hosted on the website of the Company for a minimum period of five years and thereafter archived as per Company's policy for Preservation and Archival of Documents.

6. AUTHORITY TO KEY MANAGERIAL PERSONNEL

Mr. Amit M. Mehta, Managing Director and CEO, Mr. Vikram B. Sanghani, Whole Time Director, Mr. Jyotin B. Vasavada, Chief Financial Officer and Ms. Mansi D. Patel, Company Secretary and Compliance Officer of the Company shall severally have the authority to determine Materiality of any event or information and ensure disclosures of the same are made to stock exchange(s), subject to the provisions of this Policy.

Contact details:

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7. AMENDMENTS

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

8. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Agreement; Companies Act, 2013; Regulations or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

9. DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company and address of such web link thereto shall be provided in the Annual Report of the Company. This Policy shall also be hosted on Company's intranet.