AIRIQ 365 LIMITED

(FORMERLY KNOWN AS AIR IQ INDIA LIMITED)

Materiality Policy

CIN: U79110WB2025PLC279731

Registered Office: ASMI SQUARE, 2nd Floor, 2nd Mile, Sevoke Road, Darjeeling, Siliguri, West Bengal, India, 734001

MATERIALITY POLICY

INTRODUCTION

This policy ("**Policy**") has been formulated to define the respective materiality policies in respect of the proposed initial public offering of equity shares of AIRIQ 365 Limited (*formerly known as AIR IQ India Limited*) (the "**Company**", and such offering the "**Offer**"), pursuant to the disclosure requirements under Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended from time to time) ("**SEBI ICDR Regulations**"), in respect of the following:

A. Identification of companies to be disclosed as group companies of the Company in the Offer Documents (*as defined below*);
B. Identification and disclosure of 'material' outstanding legal proceedings involving the Company, its Subsidiary(ies), its Promoters and Directors ("**Relevant Parties**") and group companies, (excluding disciplinary actions against the Company, its Subsidiaries, Promoters and Directors, criminal proceedings, statutory/regulatory actions and taxation matters); and
C. Identification of outstanding dues to material creditors of the Company.

APPLICABILITY

The board of directors of the Company ("**Board**") at their meeting held on 11th September 2026 discussed and approved this, Policy. This Policy shall be effective from the date of approval of the policy by the Board.

In this Policy, the term "**Offer Documents**" shall mean the pre-filed draft red herring prospectus, the updated draft red herring prospectus-I, the updated draft red herring prospectus-II, the red herring prospectus and the prospectus (including any addendum or corrigendum thereto), as applicable, to be filed and/ or submitted by the Company in connection with the Offer with the Securities and Exchange Board of India ("**SEBI**"), the stock exchanges where the equity shares of the Company are proposed to be listed and the Registrar of Companies, Kolkata-II at Kolkata, as applicable.

The term "**Restated Consolidated Financial Information**" shall mean the restated consolidated financial information of the Company and its Subsidiaries, for such period as disclosed in the relevant Offer Documents. The Restated Consolidated Financial Information have been prepared by the Company in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 (read with Companies (Indian Accounting Standards) Rules, 2015 as amended) and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time.

All capitalised terms not specifically defined in this Policy shall have the same meanings ascribed to such terms in the respective Offer Documents.

A. Identification of companies to be disclosed as group companies in the Offer Documents

Requirement:

Regulation 2(1)(t) of the SEBI ICDR Regulations define "group companies" as *"such companies (other than promoter(s) and subsidiary/ subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board of the issuer".*

Therefore, for the purpose of disclosure in the Offer Documents, the following shall be considered group companies of the Company:

(i) such companies (other than the promoter(s) or subsidiary(ies) of the Company) with which there were related party transactions, as described under Ind AS 24, during the period for which financial information will be disclosed in the Offer Documents, as covered under the applicable accounting standards; and

(ii) any other companies as considered material by the Board of the Company, in terms of the policy laid down below.

Policy on materiality for identification of companies to be disclosed as group companies of the Company:

For the purpose of (ii) above, a company (other than the companies covered under the schedule of related party transactions) shall be considered "material" and will be disclosed as a 'Group Company' (other than the promoter(s) and subsidiary(ies) of the Company) in the Offer Documents if it is forming part of the promoter group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, with which the Company has had one or more transactions in the last completed financial year and the stub period, if any, which, individually or in the aggregate, exceed [10%] of the total consolidated income of the Company as per the Restated Consolidated Financial Information as disclosed in the Offer Documents.

The information about each of the group companies identified based on the above approach shall be disclosed in the Offer Documents in accordance with the SEBI ICDR Regulations.

B. Identification and disclosure of material outstanding legal proceedings involving the Relevant Parties and Group Companies

Requirement:

As per the requirements of the SEBI ICDR Regulations, the Company shall disclose pending litigations involving the Relevant Parties. Hence, the Company is required to disclose the following pending litigations, as prescribed under the SEBI ICDR Regulations:

(i) all criminal proceedings, including such matters which are at the first information report ("**FIR**") stage even if no/ some cognizance has been taken by any court or any other judicial authority;

(ii) all outstanding actions (including all penalties and show cause notices) by regulatory and statutory authorities, including notices by such authorities and any findings/observations or warning letters of any of the inspections by SEBI or any other regulatory authority involving the Relevant Parties, which are material and which need to be disclosed or non-disclosure of which may have bearing on the investment decision in relation to the Offer;

(iii) all outstanding claims and proceedings related to direct and indirect tax matters, in a consolidated manner, giving the number of cases and total amount involved in such case, provided that if the amount involved in any such claims exceeds the materiality threshold determined as per point no. (iv) below, such matter(s) shall be disclosed on an individual basis; and

(iv) other pending litigation (including civil litigation and/or arbitration proceedings), other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary actions including penalty imposed by SEBI or Stock Exchanges against our Promoters in the last five fiscal, would be considered 'material' for the purposes of disclosure in the Offer Documents, if the aggregate monetary amount of claim involved, whether by or against the Relevant Parties, based on lower of the threshold criteria mentioned below –

a. As per policy of materiality defined by the Board and disclosed in the Offer Documents; or

b. Litigation where the value or expected impact in terms of value exceeds the lower of the following:

i. two percent of turnover, as per the latest annual restated consolidated financial information of the Company; or

ii. two percent of net worth, as per the latest annual restated consolidated financial information of the Company, except in case the arithmetic value of the net worth is negative; or
iii. five percent of the average of absolute value of profit or loss after tax, as per the last three annual restated consolidated financial information of the Company.

Additionally, in terms of the SEBI ICDR Regulations, the Company is required to disclose (a) any disciplinary action including penalties imposed by SEBI or any of the stock exchanges against any of the Promoters in the last five financial years preceding the date of the relevant Offer Document, including any outstanding action; (b) all criminal proceedings, including such matters which are at the FIR stage even if no/ some cognizance has been taken by any court or any other judicial authority, involving Key Managerial Personnel and Senior Management Personnel of the Company; and (c) all outstanding actions by regulatory and statutory authorities including notices by such authorities (including any judicial, quasi-judicial, administrative authorities or enforcement authorities) against the Key Managerial Personnel and Senior Management Personnel of the Company.

Policy on materiality for identification of material outstanding litigation involving the Relevant Parties (excluding criminal proceedings, actions by statutory / regulatory authorities, disciplinary actions imposed by SEBI or stock exchanges against the promoters and taxation matters):

For the purpose of point (iv) above, all outstanding litigation proceedings including arbitration proceedings involving the Relevant Parties shall be considered 'material' for the purpose of disclosure in the Offer Documents, if:

a. the aggregate monetary amount of claim/ amount in dispute/ liability involved, whether by or against the Relevant Parties in any such pending proceeding is individually is equivalent to or exceeds the following (a) 2.00% of the consolidate turnover, as per the latest Restated Consolidated Financial Information of the Company; or (b) 2.00% of the consolidated net worth, as per the latest Restated Consolidated Financial Information of the Company, except in case the arithmetic value of the net worth is negative; or (c) 5.00% of the average of the absolute value of the profit or loss after tax, as per the last three annual Restated Consolidated Financial Information of the Company, whichever is lower ("**Materiality Threshold**");

   For the purpose of paragraph (a) above, it is clarified that the average of absolute value of consolidated profit or loss after tax is to be calculated by disregarding the 'sign' (positive or negative) that denotes such value.

b. any such litigation where the decision in one case is likely to affect the decision in similar cases, such that the cumulative amount involved in such cases exceeds the Materiality Threshold, even though the amount involved in any such individual litigation may not exceed the Materiality Threshold; or

c. the monetary impact is not quantifiable for any outstanding proceeding, or lower than the Materiality Threshold, but the outcome of any such litigation would materially and adversely affect the business, prospects, operations, performance, prospects, financial position or reputation of the Company.

It is clarified that for the purpose of this Policy, pre-litigation notices received by the Relevant Parties, from third parties (excluding notices from statutory, regulatory, judicial, quasi-judicial or tax authorities), unless otherwise decided by our Board, shall not be evaluated for materiality until such persons are impleaded as defendants or respondents in proceedings before any judicial/arbitral forum or are notified by any governmental, statutory, or regulatory authority of any such proceeding that may be commenced.

Materiality criteria for litigation involving the Group Companies

In addition to the litigation specified in the paragraphs above, in accordance with the SEBI ICDR Regulations, the Company is also required to disclose any outstanding litigation involving its group company(ies) (as identified under Paragraph A above, hereinafter "**Group Companies**"), (irrespective of any amount involved in such litigation) which has a material impact on the Company. All group companies are required to identify in their respective certificates pending litigation involving such companies which are considered material by the respective group companies and which, in their view have a material impact on the Company. Having received details of such litigation from the Group Companies, the Company (acting through the Board) will determine which of such identified litigation may have a material impact on the Company and disclose the same in the Offer Documents in accordance with the SEBI ICDR Regulations.

C. Identification of outstanding dues to material creditors

Requirement:

As per the requirements of the SEBI ICDR Regulations, the Company shall make relevant disclosures in the Offer Documents and on the website of the Company for outstanding dues owed to its creditors and micro, small and medium enterprises ("**MSME**") as on latest financial year/ period disclosed in the Restated Consolidated Financial Information of the Company:

(i) based on the policy on materiality defined by the Board, details of the creditors which include the consolidated number of creditors and the aggregate amount involved will be disclosed in the Offer Documents;

(ii) consolidated information on outstanding dues to MSMEs and other creditors, separately giving details of number of creditors and amount involved will be disclosed in the Offer Documents; and

(iii) complete details about outstanding dues to material creditors along with the name and amount involved for each such material creditor shall be disclosed on the website of the Company and a web link thereto will be included in the Offer Documents.

For outstanding dues to MSME and other creditors, the disclosure will be based on information available with the Company regarding the status of the creditors as MSME as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.

Policy on materiality for identification of material creditors:

For identification of material creditors (except banks and financial institutions from whom the Company has availed financing facilities) for disclosure in the Offer Documents in terms of point (i) and (iii) above, all creditors of the Company to whom the amount due from the Company is equal to or in excess of 5.00% of the consolidated trade payables of the Company, as per the most recently completed financial period covered in the Restated Consolidated Financial Information as disclosed in the Offer Documents, shall be considered to be material.

The Company shall make relevant disclosures before the Audit Committee/ Board of Directors as required by applicable law from time to time.

GENERAL

The policy on identification of material outstanding litigation shall be without prejudice to any disclosure requirements which may be prescribed under the Companies Act, 2013, as amended, and the rules thereunder with respect to disclosure of litigation, notices, disputes and other proceedings in the Offer Documents or by SEBI and/ or such other regulatory, judicial, quasi-judicial, governmental, administrative or statutory authority with respect to listed companies or disclosure requirements as may be prescribed by SEBI through its observations on the Offer Documents, or disclosures that may arise from any investor or other complaints, or any other applicable law. In this regard, it is clarified that the policy on identification of material outstanding litigation is solely adopted from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Documents and should not be applied towards any other purposes.

The Policy shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and/ or such other regulatory or statutory authority with respect to listed companies or disclosure requirements as may be prescribed by SEBI through its observations on the Offer Documents, or disclosures that may arise from any investor or other complaints.

This Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time. All other capitalized terms not specifically defined in this Policy shall have the same meanings ascribed to such terms in the Offer Documents.

Date: 11th September 2026
Place: Siliguri