

RELATED PARTY TRANSACTIONS POLICY
OF
BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED

Policy Governance	
Policy Owner(s)	Corporate Secretariat Function
Policy Approver(s)	Board of Directors of Barclays Investments & Loans (India) Private Limited
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1. PREAMBLE

The Board of Directors (the **“Board”**) of Barclays Investments & Loans (India) Private Limited (the **“Company / BIL IPL”**), have adopted the following policy and procedures with regard to Related Party Transactions (**“RPT”**) as defined below. The Audit Committee will review and recommend this Policy for amendment to the Board from time to time.

The purpose of this Policy is to regulate transactions between the Company and its Related Parties based on the relevant laws and regulations applicable to the Company.

2. PURPOSE

This Policy is framed in terms of the Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and intended to ensure proper approval and reporting of transactions between the Company and its Related Parties.

3. DEFINITIONS

- (a) **“Act”** means the Companies Act, 2013, as may be amended from time to time.
- (b) **“Arm’s length transaction”** shall have the same meaning as assigned under explanation (b) to Section 188(1) of the Act (including any amendments thereto), which means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- (c) **“Audit Committee”** or **“Committee”** means the Committee of the Board of Directors of the Company constituted as per Master Direction – Non Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- (d) **“Board”** means the Board of Directors of the Company.
- (e) **“Control”** shall have the same meaning as assigned under Section 2(27) of the Act.
- (f) **“Key Managerial Personnel”** or **“KMP”** shall have the same meaning as defined under Section 2(51) of the Act, as provided below:
 - (i) the Chief Executive Officer or the Managing Director or the Manager,
 - (ii) the Company Secretary,
 - (iii) the Whole-time Director,
 - (iv) the Chief Financial Officer
 - (v) such other officer not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - (vi) such other officer as prescribed under the Companies (Specification of definitions details) Rules, 2014 (including any amendments thereto).
- (g) **“Policy”** or **“this Policy”** means Related Party Transactions Policy.
- (h) **“Related Party”** will have the same meaning as defined under Section 2(76)* of the Act, which in relation to a company means:
 - (i) a director or his relative;
 - (ii) a KMP or his relative;
 - (iii) a firm in which a director, manager or his relative is a partner;

- (iv) a private company in which a director or manager or his relative is a member or director;
- (v) a public company in which a director or manager is a director and holds along with his relatives, more than 2% of its paid-up share capital;
- (vi) a body corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager apart from those given in their professional capacity;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act apart from those given in their professional capacity;
- (viii) a body corporate which is
 - (a) a holding, subsidiary or associate company of such company;
 - (b) a subsidiary of a holding company to which it is also a subsidiary; or
 - (c) an investing company or the venture of the Company (whose investment in the Company would result in the Company becoming an associate company of the body corporate)*
- (ix) a director (other than independent director) or KMP of the holding company or his relative.

****As per MCA notification no. G.S.R 464(E) dated June 5, 2015, Section 2(76)(viii) of the Act shall not apply to a Private Company with respect to Section 188 of the Act.***

- (i) **“Related Party Transaction”** means any transaction directly or indirectly involving Related Party for transfer of resources, services or obligations between the Company and a Related Party, regardless of whether a price is charged.

Explanation: A "transaction" with a Related Party shall be construed to include single transaction or a group of transactions in a contract.

These categories will also include the following categories of transactions and thresholds as prescribed under Section 188(1) of the Act and rules made thereunder:

- (i) sale, purchase or supply of any goods or materials;
 - (ii) selling or otherwise disposing of, or buying, property of any kind;
 - (iii) leasing of property of any kind;
 - (iv) availing or rendering of any services;
 - (v) appointment of any agent for purchase or sale of goods, materials, services or property etc.
 - (vi) such related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company; and
 - (vii) underwriting the subscription of any securities or derivatives thereof, of the Company.
- (j) **“Relative”** with reference to any person means anyone who is related to another, if-
 - (i) they are members of a Hindu Undivided Family;
 - (ii) they are husband and wife; or
 - (iii) one person is related to the other person as-
 - (a) Father (including step-father)
 - (b) Mother (including step-mother)
 - (c) Son (including step-son)
 - (d) Son's wife
 - (e) Daughter
 - (f) Daughter's husband
 - (g) Brother (including step-brother)
 - (h) Sister (including step-sister)

- (k) **“Rules”** means Rules framed by the Ministry of Corporate Affairs, Government of India under the Act.
- (l) **“Subsidiary Company”** or **“subsidiary”** shall have the same meaning as defined under Section 2(87) of the Act, as amended from time to time.
- (m) **“Holding Company”** shall have the same meaning as defined under section 2(46) of the Act, as amended from time to time.

4. POLICY

All Related Party Transactions, regardless of those stated above, including any subsequent modifications thereto must be reported to the Audit Committee and referred for approval by the Committee to the Board (except for transactions with parties defined under 3(h)(viii) above) in accordance with this Policy.

4.1 Identification of Potential Related Party Transactions

Each Director and employee of the Company is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or his relative, including any additional information about the transaction that the Board or Audit Committee may reasonably request. The Board or Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

The notice of any such potential Related Party Transaction should be preferred to be given to the Audit Committee well in advance so that the Audit Committee or Board has adequate time to obtain and review information about the proposed transaction.

4.2 Ordinary Course of Business

The term “ordinary course of business” is not defined under the Act and therefore whether a particular transaction or arrangement will be regarded as in the “ordinary course of business” of a Company will need to be determined in light of the facts and circumstances of that transaction or arrangement. However, the following may be considered as indicative criteria to demonstrate whether a transaction or arrangement can be regarded to be in the “ordinary course of business” of the Company:

- a) such act would be part of the normal and incidental to daily customs and practices of that particular line of business;
- b) the charter documents of the company allow for such act;
- c) past customs and conduct of the company show a reasonable number of precedents for such act; and
- d) such act is part of the main activities of the company.

4.3 Determination of Arm’s length price

For determining whether a transaction is at arm’s length, the transaction or arrangement shall be reviewed in such a way that it is being conducted with a related party as if they are unrelated and that there is no conflict of interest.

Any further conditions or limits imposed by the Audit Committee or the Board for any Related Party Transactions shall be tracked and adhered to in addition to above.

5. PROCEDURE

In case of any proposal to undertake any transaction or arrangement with a Related Party, the concerned function shall submit to the Corporate Secretariat function of the Company, the details of the proposed transaction which shall include the following:

- (i) Name of the Related Party and Nature of Relationship;
- (ii) Nature, Duration & Particulars of the Contract/Arrangement/Transaction;
- (iii) Material terms of the contract or arrangement including the value, if any;
- (iv) Manner of determining price and other commercial terms (whether included as part of contract or not);
- (v) Advance paid for received for the contract or arrangement, if any;
- (vi) Justification for entering into such transaction or contract or arrangement and whether all factors have been considered or not. In case any factors are not considered, then the rationale for not considering those factors; and
- (vii) Any other information, documents relevant or important for the Committee or Board to take a decision on the proposed transaction.

Based on the above details, the Corporate Secretariat function shall arrange to place the proposal for necessary approval of the Audit Committee/Board/Shareholders of the Company, as may be required. Any member of the Audit Committee/Board who is having an interest in such transaction shall reclude himself/herself and will be abstained from discussing and voting on such proposal in the respective meetings.

All Related Party contracts/arrangements/transactions including those in the ordinary course of business and meeting the arm's length criteria shall be placed before the Audit Committee of the Company for approval. This may also be done by way of passing a resolution by circulation by the Audit Committee.

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to such conditions as prescribed under The Companies (Meetings of Board and its Powers) Rules, 2014.

In accordance with the provisions of the Act, any contract/arrangement/transaction with a related party (except for transactions with parties defined under 3(h)(viii) above) which is in the ordinary course of business of the meeting and is at arm's length does not require approval of the Board of Directors of the Company. However, such contracts/arrangements/transactions may still be placed before the Board for their review as a matter of abundant caution.

In accordance with the provisions of section 188(1) of the Act and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, except for the transactions being undertaken at arm's length and in the ordinary course of business, prior approval of the Shareholders shall be required for transactions exceeding the limits as specified below in following circumstances:

S. No.	Prescribed transaction categories	Threshold
(a)	Sale, purchase or supply of any goods or materials, directly or through appointment of agent	Amounting to 10% or more of the turnover of the Company
(b)	Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent	Amounting to 10% or more of net worth of the Company
(c)	Leasing of property of any kind	Amounting to 10% or more of the

		turnover of the Company
(d)	Availing or rendering of any services, directly or through appointment of agent	Amounting to 10% or more of the turnover of the Company
(e)	Appointment to any office or place of profit in the company, its subsidiary company or associate company	Remuneration exceeding INR 2.5 lakhs per month
(f)	Underwriting the subscription of any securities or derivatives of the company	Remuneration exceeding 1% of net worth

Explanation:

- a) Limits specified under point (a) to (d) shall apply for transaction(s) to be entered into either individually or taken together with the previous transactions during a financial year.
- b) Turnover or Net Worth shall be computed on the basis of last audited financial statement of the company.
- c) In case of wholly owned subsidiary, the resolution passed by the holding company shall be sufficient for the purpose on entering into the transaction between the wholly-owned subsidiary company and the holding company.

The function owner shall provide following details to the Corporate Secretariat function for obtaining approval of the Shareholders' of the Company:

- (i) name of the related party;
- (ii) name of the director or KMP who is related, if any;
- (iii) nature of relationship;
- (iv) nature, material terms, monetary value and particulars of the contract or arrangement; and
- (v) any other information relevant or important for the members to take a decision on the proposed transaction.

Respective function owners shall monitor adherence to this Policy on a continuous basis since the time when the transaction is entered into by the Company.

6. DISCLOSURE

The contents of the Policy shall be disclosed on the website of the Company for reference of all employees and any other concerned persons. The weblink to the policy will be provided in the Annual Report the Company, if required.

7. RELATED PARTY TRANSACTIONS WITHOUT PRIOR APPROVAL UNDER THIS POLICY

Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a resolution in the general meeting under sub-section (1) of Section 188, the Board of Directors or the Shareholders shall have the power to ratify such contract or arrangement at a meeting thereof within 3 months from the date on which such contract or arrangement was entered into. In the event the Company becomes aware of a transaction with a Related Party that has not been approved in accordance with the criteria mentioned under this Policy within 3 months as stated above, the matter shall be reviewed by the Board/Shareholders and shall be voidable at the option of the Board/Shareholders, as the case may be. The Board shall consider all the relevant facts and circumstances of such contract or arrangement and shall evaluate all options available to the Company, including ratification, revision or termination of such transaction/arrangement. The Board shall also examine the facts and circumstances

pertaining to such transaction/arrangement and shall take any such action as it may deem appropriate.

In any case, where the Board determines not to ratify a Related Party Transaction that has been entered into without their approval, as appropriate, the Board may direct additional actions as they may deem fit including, but not limited to, immediate discontinuation or rescission of the transaction.

8. REGISTER OF CONTRACTS/ARRANGEMENTS IN WHICH DIRECTORS ARE INTERESTED

The Company shall maintain one or more registers giving separately the particulars of all contracts or arrangements to which Section 184(2) or Section 188 applies in such manner and containing such particulars as may be prescribed under the Act and rules made thereunder. After entering the particulars, such register shall be placed before the next Meeting of the Board and signed by all the Directors present at the Meeting.

9. DEVIATIONS FROM THE POLICY

Any deviations from this Policy shall be reviewed by the Audit Committee and recommended to the Board for approval.

10. VERSION CONTROL

Version	Date	Change
1.0	March 18, 2015	Policy Approved
2.0	May 25, 2015	Change in procedure to explicitly mention that approval of the shareholders will follow only in case of those transactions which are not carried at arm's length or in ordinary course of business of the Company
3.0	March 4, 2016	Annual review of the Policy
4.0	May 23, 2017	Annual review of the Policy
5.0	June 8, 2018	Annual review of the Policy
6.0	June 25, 2019	Annual review of the Policy
7.0	March 13, 2020	Change in threshold for transactions requiring shareholders' approval
8.0	June 7, 2021	Annual review of the Policy