RELATED PARTY TRANSACTIONS (RPT) POLICY

1. PURPOSE

The Related Party ("RP") relationships are normal in business. Transactions with RPs may arise in the course of business. A policy on Related Party Transaction ("RPT") is required in order to bring in a process and transparency in such transactions and to meet the requirements of law. In order to bring in transparency, to make appropriate disclosure of RPTs and to comply with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), Companies Act 2013 and other applicable regulations, "Related Party Transaction Policy" ("RPTP") is formulated by Shriram City Union Finance Limited ("Company").

2. DEFINITIONS

Authorised Official: Chief Financial Officer of the Company or any other officer authorised by the Committee

Committee: Audit Committee or Audit and Risk Management Committee constituted by the Board.

Key Managerial Personnel ("KMP"): As defined under section 2(51) of the Companies Act 2013 and rules made there under

Material Related Party Transaction ("MRPT"): A Related Party Transaction / Contract to be entered into individually or taken together with previous RPTs during a financial year, exceeds rupees one thousand crore or ten percent (and in case of brand usage or royalty it exceeds five percent) of the annual consolidated turnover of the Company as per last audited financial statements of the Company, whichever is lower.

Relatives: As defined under section 2(77) of the Companies Act 2013 and rules made thereunder

Related Party Transactions ("RPT"): Transaction in the nature of contract involving transfer of resources, services or obligations between the Company and related party (ies), regardless of whether price is charged and a transaction with a related party shall be construed to include a single transaction or a group of transactions in a contract, including but not limited to the following.

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a) Sale, purchase or supply of any goods or materials;
b) Selling or otherwise disposing of, or buying, property of any kind;
c) Leasing of property of any kind;
d) Availing or rendering of any services;
e) Appointment of any agent for purchase or sale of goods, materials, services or property;
f) Appointment to any office or place of profit in the company;
g) Underwriting the subscription of any securities or derivatives thereof, of the company

Related Party ("RP"): As defined under section 2(76) of the Companies Act 2013 or applicable Accounting Standard (i.e. AS-18)

Transaction: Shall include a single transaction or a group of transactions in a contract or agreement with related party.

4. APPLICABILITY

This RPTP shall apply to the Company, each employee, executive, director and KMP of the Company, who is a party to RPTs with the Company and shall apply to all the RPTs. This RPTP is in force effect from April 1, 2022. Any amendment to this RPTP shall be approved by the Committee and shall have effect from the date of such approval or from such date as notified in amendment. In case of any conflict of any provision of this RPTP with any applicable regulation or Act, the provision of such regulation or Act shall prevail over such provision of this RPTP.

5. COLLECTION OF RPTs /POTENTIAL RPTs

RPTs with the Company, existing, new, proposed and potential shall be brought to the notice of the Authorised Official by the Director/KMP/Employee of the Company, who is a party to it either by signing or otherwise of any RPTs with the Company by providing all the information about the RPT in the format attached in Annexure-1 below and shall provide additional information as the Company may require. The employees of the Company, who sign any transaction on behalf of the Company shall report to the Authorised Official about potential RPTs by letter duly signed.

6. SUMMARISATION OF INFORMATION/NOTIFICATION RECEIVED

Based on the above said notification and information received, the Authorised Official shall summarise the information/notification received and shall examine, if the transaction is a RPT or not. While determining whether a transaction can be categorised as a RPT or not, the Authorised Official shall be guided by notification, information, disclosure as said above, Companies Act 2013, LODR, applicable Accounting Standard and such other thing as the Committee may decide. A transaction identified as RPT shall require prior approval of the Committee or shareholders as the case may be before entering into such RPT.

7. REVIEW OF THE RPTs

Summarised RPTs details shall be referred by the Authorised Official to the meeting of the Committee or be moved through circulation of resolution for review and approval of the Committee, if so required. Any member of the Committee having any interest in any RPT will state his/her interest and shall abstain from discussion and voting on the approval of the RPT. Before approving the RPT, the Committee shall, among other matters, consider the following factors to the extent relevant to the RPT with respect to the Company's nature/size, fairness of the terms, ordinary course of business, arm's length pricing, pricing method followed, other commercial terms, repetitive nature, compelling business reasons to enter into, alternatives, effect on the independence of an independent director, potential reputational risk involved, whether it was pre-approved and if not, the reason for not such pre-approval, if subsequent ratification would be detrimental, any conflicting situation that would arise for any director or KMP due to this, the overall financial position of the RP and the nature of Relation. The Committee may take advice of any professional or consultant on any matter related to RP, RPT and may proceed with the advice or opinion given by such professional or consultant. If the Committee is not able to decide on any matter, it may refer to the Board for its approval.

8. APPROVAL OF RPTs

The Committee, after the review and on being satisfied about the RPT, shall approve the RPT with or without any modification or shall reject the RPT or may refer it for further information as it may deem fit or may refer to the Board for approval. If the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the RPT, then the matters set forth above shall apply to the Board's review and approval of the matter. All RPTs and subsequent modifications of RPTs shall require pre-approval of the Committee. All Material RPTs and subsequent modifications thereof shall require approval of the shareholders through resolution and the RPs shall abstain from voting or may cast negative voting only on such resolutions whether the entity is a RP to the particular transaction or not. Any member of the Committee having any interest in any RPT will state his/her interest and shall abstain from discussion and voting on the approval of the RPT.

9. OMNIBUS APPROVAL

Omnibus Approval can be for foreseen or unforeseen RPTs. The Committee may grant omnibus approval for proposed foreseen RPTs on being satisfied about the transaction being (i) repetitive in the nature, (ii) in the interest of the Company, (iii) in need of the omnibus approval, (iv) in line with this policy. The Committee shall review foreseen omnibus approved RPTs on quarterly or annual basis. Such omnibus approval shall be valid for a period of one year from the date of approval and shall require fresh approval thereafter.

The Committee may grant omnibus approval for unforeseen RPTs. While granting omnibus approval for proposed foreseen RPTs, the Committee shall at least specify in its approval the name of the RP, nature of RPT, period of RPT, RPT amount, indicative base price, contract price, reason for variation in price. While granting omnibus approval of unforeseen RPTs or where the above said details are not available, the value of such RPTs shall not exceed ₹ One Crore per transaction.

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RELATED PARTY TRANSACTIONS (RPT) POLICY

10. REQUIREMENT OF PRIOR APPROVAL IN CERTAIN CASES

A related party transaction to which the subsidiary is a party but the company is not a party, shall require prior approval of the audit committee of the company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual consolidated turnover, as per the last audited financial statements of the company.

11. RPTs ENTERED INTO WITHOUT APPROVAL

If a RPT is entered into by the Company without approval required under this RPTP, the same shall be evaluated and reviewed by the Committee. After such evaluation and review, the Committee may ratify, revise, modify, waive procedural requirements under this policy, terminate, recommend for approval of the shareholders or Board the RPT.

12. EXCEPTIONS

The followings shall not require approval of the Committee or Board or Shareholders: (i) Remuneration or Compensation to Director/KMP in connection with his/ her duties to the Company/subsidiaries/associates, (ii) Reimbursement of expenses incurred in the ordinary course of duties or business, (iii) Any transaction arising to the RP from ownership of securities issued/held by him/her in the Company and all holders of such securities receive the similar benefits pro rata as the RP, (iv) Transactions entered into between the Company and it's wholly owned subsidiary, whose accounts are consolidated with the Company and placed before the shareholders at general meeting for approval.

13. DISCLOSURE

This policy shall be displayed on the web site of the Company and a web link of it shall be mentioned in the Annual Report of the Company as required under Regulation 34(3) and 53 (f) of LODR . RPTs with justification shall be disclosed in the Directors Report. Annual Financial Statements/Annual Report shall also mention RPTs as required under Companies Act 2013 (including as required under applicable Accounting Standard).

Annexure-1

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RELATED PARTY TRANSACTIONS (RPT) POLICY

NOTIFCATION OF RELATED PARTY TRANSACTION UNDER RELATED PARTY POLICY OF M/s SHRIRAM CITY UNION FINANCE LIMITED, CHENNAI

1. Name of the Director/KMP/Employee
2. Name of the Related Party
3. Nature of relationship
4. Nature of Transaction
5. Value involved in the Transaction (` in Crores)
6. Material Terms of the Transaction
7. Pricing method followed for the Transaction
8. Date of commencement of the Transaction
9. Date of expiry of the Transaction
10. Benefits to the Company
11. Benefits to the Declarant
12. Any other information

This is to notify to M/s Shriram City Union Finance Limited, Chennai that the above said transaction is to be treated as Related Party Transaction as I am interested in it as a Director/KMP of the Company

Date: Name and signature

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