POLICY ON DEALING WITH THE RELATED PARTY TRANSACTIONS

(Version 4)

I. PREAMBLE

The Board of Directors of RBL Bank Limited ("the Bank/ Company") has adopted the following policy and procedures with regard to Related Party Transactions ("Related Party Transaction Policy"), in line with the requirements of Section 177 (4) (iv) and Section 188 of the Companies Act, 2013 read with Rules made thereunder ("the Act") and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time.

The objective of this policy and procedure is to ensure that transactions between the Bank and its related parties are based on principles of transparency and arm's length pricing. Likewise, this policy aims at preventing and providing guidance in situations of potential conflict of interests in the implementation of transactions involving such related parties. Any term not defined in the policy shall have meaning as defined in the Companies Act, 2013, SEBI Listing Regulation or other applicable statutes.

II. DEFINITIONS

"Audit Committee" means the Audit Committee of Board of the Bank constituted as per the directions of RBI.

"Control" shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 / Section 2(27) of the Act.

"Arm's length basis" means a transaction between two related parties that is conducted as if they were unrelated so that there is no conflict of interest. For determination of arm's length basis, guidance may be taken from the provisions of Transfer Pricing under the Income Tax Act, 1961.

"Board" means Board of Directors of the Bank.

"Related party" with reference to the Bank means:

i. a director or his relative;
ii. a key managerial personnel (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 two per cent of its paid-up share capital;
vi. any 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;
vii. any person on whose advice, directions or instructions a director or manager is accustomed to act;

viii. any body corporate which is a holding, subsidiary or an associate company of such company; or a subsidiary of a holding company to which it is also a subsidiary;

ix. a director other than an independent director or key managerial personnel of the holding company or his relative with reference to a company (as per Companies (Meetings of Board and its Powers) Rules, 2014);

x. an investing company or the venturer of the company.

xi. Explanation:- For the purpose of this clause, "the investing company or the venturer of the company" means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

Provided that any person or entity belonging to the promoter or promoter group of the Bank and holding 20% or more of shareholding in the Bank shall be deemed to be a related party.

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s)

"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)

"Related Party transaction" means a transaction involving transfer of resources, services or obligations between the Bank and the Related Party, regardless of whether a 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:

Provided that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s).

"Material Related Party transaction": A transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceed ten percent of the annual consolidated income of the Bank as per the last audited financial statements.

"Turnover" has been defined as the aggregate value of the realisation of amount made from sale, supply or distribution of goods or on account of services rendered, or both, by the company during a financial year. Accordingly, for the Bank, the 'turnover' is considered as the 'Total Income', i.e., total of interest income and other income.

III. POLICY ON RELATED PARTY TRANSACTIONS

A) Identification of Potential RELATED PARTY TRANSACTIONS:

Each Director and Key Managerial Personnel is responsible for providing Notice to the Board or Audit Committee of any potential related party transaction involving him/her or his/ her relatives, including any additional information about transactions that the Board or Audit Committee may request. The Board shall record the disclosure of interest and Audit Committee will determine whether the transaction requiring compliance with this policy.

The Bank strongly prefers to receive such notice of any potential related party transaction well in advance so that Audit Committee has adequate time to obtain and review information about the proposed transaction.

B) Approval of related party transactions

i) Approval of Audit Committee

All the transactions which are identified as related party transactions should be pre-approved by the Audit Committee before entering into such transaction. The Audit Committee shall consider all relevant factors while deliberating the related party transactions for its approval.

Any member of the Committee who has a potential interest in any related party transaction will recuse himself and abstain from discussion and voting on the approval of the related party transaction.

The Audit Committee may grant omnibus approval for related party transactions which are repetitive in nature and subject to such criteria/ conditions as mentioned under Regulation 23 of SEBI Listing Regulations and such other conditions as it may consider necessary in line with this policy and in the interest of the Bank. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into by the Bank pursuant to the omnibus approval. In connection with any review of a related party transaction, the Committee has authority to modify or waive any procedural requirements of this policy.

A related party transaction entered into by the Bank, which is not under the omnibus approval or otherwise pre-approved by the Committee, will be placed before the Committee for ratification.

ii) Approval of Board of Directors

Transactions with related party which are neither in ordinary course of business nor at arm's length price shall require prior approval of the Board.

Where any Director is interested in any contract or arrangement with a related party, such Director shall not be present at the meeting during the discussion on the subject matter of the resolution relating to such contract or arrangement.

iii) Shareholders' approval

All the material related party transactions shall require approval of the shareholders through resolution and the related parties shall abstain from voting on such resolution.

Transactions, other than Material related party transaction which are neither in ordinary course of business nor at arm's length price and exceeds the threshold under Section 188 of the Act shall also require prior approval of shareholders through resolution and the related parties shall abstain from voting on such resolutions.

No member of the company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the Bank, if such member is a related party to contract or arrangement for which such resolution is being passed. However, in case of material related party transactions, no member/ entity of the Bank who is related party shall vote on such resolution for the approval of any contract or arrangement pertaining to related party transaction.

IV. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Bank becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the Bank would obtain post facto approval from the Audit Committee.

In case the Bank is not able to take prior approval from the Audit Committee, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as the transaction is brought to the Audit Committee as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

The Audit Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to

the Bank, including ratification, revision or termination of the Related Party Transaction. In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

V. DISCLOSURES

The Bank shall disclose the policy on dealing with Related Party transactions on its website and a web-link shall be provided in the Annual Report.

VI. POLICY REVIEW

This Policy shall be reviewed by the Audit Committee & Board as and when any changes are to be incorporated in the Policy due to change in regulations or as may be felt appropriate by the Audit Committee & Board.