

Policy on Related Party Transactions

OVERVIEW

PREAMBLE

The Board of Directors (the “Board”) of Saint-Gobain Sekurit India Limited (the “Company” or “SGSIL”), acting upon the recommendation of the Audit Committee (the “Committee”), has adopted the following policy and procedures with regard to materiality threshold and manner of dealing with Related Party Transactions in compliance with the Companies Act, 2013 and Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015 (“Listing Regulations”).

The Committee shall review and may amend this policy as may be required from time to time.

The Policy is intended to ensure the proper approval and reporting of Related Party Transactions in compliance with applicable laws and regulations.

Terms and References

A transaction with the Related party will be considered material if the transaction/transactions to entered, either individually or taken together with previous transactions with such related party during a financial year , exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company or such other limit as may be specified under applicable laws/regulations and as amended from time to time.

A transactions involving payment made to the related party with respect to brand usage or royalty shall be considered material if the transactions to be entered, either individually or taken together with previous transactions during the financial year exceeds 5% of the annual consolidated turnover of the Company as per the last audited financial statement of the Company.

Policy and Procedure

All Related Party Transactions shall require prior approval of the Committee in accordance with this Policy.

Notification of Potential Related Party Transactions

The notice or information of any potential Related Party Transaction involving him/her or his/her relative shall be provided by each Director and Key Managerial Personnel to the Board or Committee well in advance.

Review and Approval of Related Party Transactions

The Management shall provide to the Committee all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose or any other relevant information.

Any member of the Committee who has potential interest shall abstain from discussion and voting on the approval of the transaction.

The Committee shall consider the following factors, among others, in determining whether to approve a Related Party Transaction:

- Whether the terms and conditions are such that the transaction is at arm's length and in the ordinary course of the business.
- Whether there are business reasons to enter into the transaction(s).
- Whether the transaction would raise a question on the independence of the Independent Directors.

If the Committee determines that the Related Party Transaction should be brought before the Board of Directors, then the conditions set forth above shall apply for the Board's approval.

All material Related Party Transactions, other than those exempted as per the Companies Act 2013 and Listing Regulations will be placed for approval of the shareholders of the Company.

PRE-APPROVED RELATED PARTY TRANSACTIONS

The following Related Party Transactions shall not require approval of Committee:

- Any transaction that involves the payment of compensation to a Director or Key Managerial Personnel in connection with his or her official duties to the Company, including reimbursement of business and travel expenses as per the Company's policy.

This Policy will be communicated to all operational employees and other concerned persons of the Company.

Approved by the Board of Directors on	February 5, 2019
Reviewed by the Board of Directors on	February 4, 2022