QVC EXPORTS LTD

POLICY ON RELATED PARTY TRANSACTIONS

1. INTRODUCTION

The Board of Directors (the "Board") of QVC EXPORTS LTD (the "Company") has upon the recommendation of the Audit Committee, adopted the following policy with regard to Related Party Transactions (hereinafter referred to as the 'RPT Policy' or 'Policy'), in line with the requirements of Section 188 of Companies Act, 2013 read with Rules made thereunder (hereinafter referred to as 'the Act') and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'LODR').

2. PURPOSE

The objective of this policy is to ensure proper approval, disclosure and reporting of transactions as applicable, between the Company and any of its related parties in the best interest of the Company and its stakeholders. This Policy deals with materiality threshold, process of identification, disclosures and the manner of dealing Transactions with Related Party by the Company keeping in view the provisions of the Act read with the rules made thereunder and LODR.

3. DEFINITIONS

"Arm's length transaction ('ALP')" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

"Audit Committee" means Committee of Board of Directors of the Company constituted under provisions of Regulation 18 of LODR and Section 177 of the Act.

"Board of Directors" or "Board" in relation to the Company means the collective body of the directors of QVC EXPORTS LTD.

"Company" means QVC EXPORTS LTD.

"Key Managerial Personnel" (KMP) in relation to the Company means

i. the Chief Executive Officer, or the Managing Director or the Manager;
ii. the Company Secretary;
iii. the Whole-time director;
iv. Chief Financial Officer; and
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 may be prescribed.

"Material Related Party Transaction" means a transaction with a Related Party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceeds rupees Fifty crore or ten percent of the annual consolidated turnover of

the company as per the last audited financial statements of the company, whichever is lower.

"Related Party", with reference to a Company, shall have the same meaning as defined in Section 2(76) of the Companies Act, 2013 or Listing Regulations or under the applicable accounting standards as amended from time to time.

"Related Party Transaction" (RPT) means –

• For the purpose of the Act, specified transaction mentioned in clause (a) to(g) of subsection 1 of Section 188;
• for the purpose of LODR, a transfer of resources, services or obligations between the Company and a 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.

"Relatives" with reference to any person shall have the meaning as defined in Section 2(77) of the Act read with clause 4 of The Companies (Specification of definition details) Rules, 2014.

A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract.

Any other term not defined herein shall have the same meaning as defined in the Act, LODR, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

4. MATERIALITY THRESHOLDS

The Listing Regulations requires a company to provide materiality thresholds for transactions beyond which the shareholders' approval will be required by way of a resolution. The Company has fixed its materiality threshold at rupees Fifty crore or ten percent of the annual consolidated turnover of

the company as per the last audited financial statements of the company, whichever is lower.

5. POLICY ON RELATED PARTY TRANSACTIONS

The policy describes the procedure to be followed along with the reporting and disclosure requirements for the transactions entered between the Company and its Related Parties. Such transactions shall be deemed appropriate only if they are in the best interest of the Company and its shareholders. In order to ensure the same and to set forth the procedure for entering into and execution of transactions with Related Party, the board of directors of the Company has adopted this Policy.

a) Procedure for identification of potential related parties

• Once a year, declarations will be obtained by the Company Secretary or Compliance Officer as the case may be from the Directors and KMP and other related parties within the meaning of Section 2(76), 184 and 189 of the Act and LODR in the prescribed format.

• The declarations will also be required to be updated by the Directors and KMP regularly immediately upon a change taking place.

• Any individual appointed/elected as a director or KMP shall be responsible to promptly complete and submit to the Company Secretary or Compliance Officer as the case may be, the disclosure declaration referred to above.
• The Company Secretary or Compliance Officer as the case may be shall, in every meeting, place before the Audit Committee an up-to date list of the related parties of the Company.

b) 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 RPT involving him/her or his/her relative, including any additional information about the transaction that the Board or Audit Committee may request. The Board shall record the disclosure of Interest and the Audit Committee will determine whether the transaction does, in fact, constitute a RPT requiring compliance with this Policy.

The Company strongly prefers to receive such notice of any potential transactions with Related Party well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction

c) Approval of Related Party Transactions

(i) Prior approval of Audit Committee All Transactions with Related Party of the Company as prescribed under the Act and LODR shall require prior approval of Audit Committee, whether at a meeting or by Resolution by circulation.

However, the Audit Committee may grant omnibus approval for such Transactions proposed to be entered into by the Company subject to the following conditions:-

1) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on RPTs of the company and such approval shall be applicable in respect of transactions which are repetitive in nature.

2) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;

3) Such omnibus approval shall specify the following:

• the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;

• the indicative base price / current contracted price and the formula for variation in the price if any and;

• such other conditions as the Audit Committee may deem fit; Provided that where the need for RPT cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rupees One crore per transaction.

4) In case where RPT as defined under that Act are not in ordinary course of business or not on arm's length basis or both, such RPT will also require prior approval of Board of Directors of the Company.

5) Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.

Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

Any member of the Audit Committee who has a potential interest in any RPT will abstain from discussion and voting on the approval of the RPT.

ii) Prior approval of Board of Directors under the Act

RPTs within the scope of Section 188 of the Act, which are either not in the Ordinary Course of Business or are not at Arms' Length shall require prior approval of the Board of Directors.

In the above context, where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement, and shall also not vote on such resolution.

iii) Shareholders' approval requirements

Shareholder's approval shall be sought in the following cases as per the requirements of the Act:

• RPTs covered within the scope of Section 188 of the Act; which are either not in the 'Ordinary Course of Business' or are not on an 'Arm's Length Basis' and exceed the threshold prescribed under the rules made thereunder, shall require prior approval of the shareholders through resolution.

• No member of the Company shall vote in a resolution where a related party contract or arrangement is being considered if such a member is a related party in the context of the contract or arrangement which is being considered. Shareholder's approval shall be sought in the following cases as per the requirements of LODR:

• All Material RPTs covered within the scope of LODR shall require approval of the shareholders through resolution. For this purpose, no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not

• However, the above shall not be applicable to:

➢ transactions between QVC EXPORTS LIMITED and its wholly owned subsidiary whose accounts are consolidated with QVC EXPORTS LIMITED and placed before the shareholders at

the general meeting for approval; and

➢ such other transactions as may be exempted by LODR, if not covered under the Act.

6. DISCLOSURES

Disclosures with respect to Transactions with Related Party shall be made as per applicable provisions of the Act and LODR

7. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. 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 Company, including ratification, revision or termination of the related party transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate.

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, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review/approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

8. Scope Limitation

In the event of any conflict between the provisions of this Policy and of LODR / the Act or any other statutory enactments, rules, then later shall prevail.

9. Amendments to the Policy

The board of directors of the Company reserves the right to modify and/or amend this Policy at any time subject to the provisions of LODR and the Act and Rules framed thereunder