



RELATED PARTY POLICY

CIM Financial Services Ltd ('CIM', 'Cim Finance', 'CFSL' or the 'Company') is a financial services company listed on the official market of the Stock Exchange of Mauritius. CIM is licensed by the Financial Services Commission ('FSC') to provide credit finance, factoring, insurance agency and leasing facilities and by the Bank of Mauritius ('BoM') for cards activities.

The objective of the Related Party Policy is to define the scope of related party transactions conducted by the Directors and Senior Officers of CFSL and to set out prudent rules and limits for granting credit to related parties. The underlying principles of this policy are derived from the BoM's guideline on related party transactions.

In addition to the Related Party Policy, the provisions of the Companies Act and the Listing Rules with regard to the related party transactions will also apply to related party transactions conducted by an employee and/or Director of CFSL.

Related Party means:

- a person who has significant interest in CFSL or CFSL has significant interest in that person;
- a Director or Senior Officer of CFSL or of a body corporate that controls CFSL (altogether referred to as 'Director' or 'Senior Officer');
- the spouse, a child, the parent or ascendant or descendant of a natural person who has significant interest in CFSL, or who is a Director of CFSL or who is a Senior Officer of CFSL;
- an entity that is controlled by a person who has significant interest in CFSL, or who is a Director of CFSL or who is a director of a body corporate that controls CFSL.

'Related Party Transaction' means any transaction between a Related Party and CFSL including the following:

- credit, financial leasing, non-fund based commitments such as documentary credits, guarantees on behalf of a related party, acquiring a loan made by a third party to a related party;
- placements made by CFSL with the related party;
- conditional sales agreements;
- consulting or professional service contracts with directors;
- investment in equity of a related party;
- acquisition, sale or lease of assets; and
- supply of goods and services.





The Board is ultimately responsible for establishing and implementing appropriate policies on related party transactions.

The Board exercises this responsibility via the Corporate Governance and Conduct Review Committee ('CGCRC') by:

- Developing prudent rules and limits for all credit exposures, including those representing less than 2 percent of its Tier 1 capital
- Establishing procedures to ensure that board members with conflict of interest are excluded from the approval process of related party transactions
- Ensuring that CFSL has a robust system of checks and balances to monitor compliance with the regulatory limits, uphold impartiality and prevent credit activities of any kind which override established credit approval policies and procedures when granting credit facilities to related parties
- Reviewing and approving related party transactions

The 'Related Party Policy' is applicable to CFSL's staff members, Directors, Senior Officers and shareholders.

For confidentiality reasons, the 'Related Party Policy' has not been published on CIM's website.

