



UNITED INDIA INSURANCE COMPANY LIMITED

REGISTERED & HEAD OFFICE 24, WHITES ROAD CHENNAI 600014

CIN: U93090TN1938GOI000108

UNITED INDIA INSURANCE COMPANY LIMITED

RELATED PARTY TRANSACTION POLICY

With effect from 22.05.2018

RELATED PARTY TRANSACTIONS POLICY

United India Insurance Company Limited (hereinafter called "Company") is governed, amongst others, by the rules and regulations framed by the IRDAI and SEBI. The requirement of the Company framing the related party transactions policy is necessitated on account of the listing of subordinated debt on BSE to the tune of Rs.900 crores and consequent applicability of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Policy regulates all transactions between the Company and its related parties. This Policy will be effective from the date of its approval by the Board of Directors.

The Audit Committee will review the Policy periodically and may amend the same from time to time and propose the same to the Board for approval.

Definitions :

(a) "Act" shall mean the Companies Act, 2013 and includes any amendment thereof;

(b) "Arm's length basis" In terms of the Companies Act, the expression 'arm's length transaction' means a transaction between two related parties that is conducted as if they were unrelated; so that there is no conflict of interest. A transaction with a related party will be considered to be on arm's length basis if the key terms, including pricing of the transaction, taken as a whole, are comparable with those of similar transactions if they would have been undertaken with unrelated parties.

(c) "Material Related Party Transaction" means a transaction, whether to be entered individually or taken together with previous transactions during a financial year, which exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company;

(d) "Related Party" means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards;

(e) "Related Party Transaction" means 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;

3. Review and approval of Related Party Transaction

Approval of related party transactions

A. Audit Committee

3.A.1. 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.

3.A.2. Any member of the Committee who has a potential interest in any related party transaction will rescue himself and abstain from discussion and voting on the approval of the related party transaction.

A related party transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board of Directors or of shareholders as discussed subsequently.

3.A.3. 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 the Listing Regulations read with other requirements under the Act, and such other conditions as it may consider necessary in line with this policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry.

3.A.4. Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into by the Company 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.

3.A.5. A related party transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Committee, will be placed before the Committee for ratification within 3 months.

B. Board of Directors

3.B.1. In case any related party transactions are referred by the Company to the Board for its approval due to the transaction being

- (i) not in the ordinary course of business, or
- (ii) not at an arm's length price,

the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any related party transaction will rescue himself and abstain from discussion and voting on the approval of the related party transaction.

C. Shareholders

3.C.1. If a related party transaction is

- (i) a material transaction as per Regulation 23 of Listing Regulations, or
- (ii) not in the ordinary course of business, or

not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013, it shall require shareholders' approval by an ordinary resolution. In such a case, any member of the Company who is a related party, shall not vote on resolution passed for approving such related party transaction.

D. Reporting of related party transactions

3.D.1. Every contract or arrangement, which is required to be approved by the Board/shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.

AOC2 shall be part of the Directors' Report. Apart from the above, the details shall be given in the Notes forming part of Accounts.

The Company shall upload this Policy on its website.

Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Regulations or statutory enactments, or rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.