



UNITED INDIA INSURANCE COMPANY LIMITED
REGISTERED OFFICE 24, WHITES ROAD CHENNAI
CIN: U93090TN1938GOI000108

RELATED PARTY TRANSACTION POLICY

With effect from 01.04.2022



UNITED INDIA INSURANCE COMPANY LIMITED
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CIN: U93090TN1938GOI000108

| RELATED PARTY TRANSACTION POLICY VERSION CONTROL | |
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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.

The Board of Directors of the Company has adopted the Related Party Transaction Policy and Procedures with regard to Related Party Transactions as defined below. This Policy regulates all transactions between the Company and its related parties based on the applicable laws, rules and regulations.

The Audit Committee will review the Policy periodically as and when required and may amend the same from time to time and propose the same to the Board for approval. In addition to the above, this Policy shall be reviewed by the Board at least once in every three years.

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" in terms of SEBI (LODR) Regulations means a transaction, whether to be entered into with a related party, individually or taken together with previous transactions during a financial year:

- (i) In case of transactions involving payments made with respect to brand usage of royalty, if it exceeds 5% of the annual consolidated turnover of the Company as per its last audited financial statements;
- (ii) In case of any other transaction(s), if the amount [exceeds Rs.1,000 crores] or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements [whichever is lower].

(d) ["Material Modification" in terms of SEBI LODR means any modification(s) in the pricing, quantity or overall transaction value having a variance of 20% (twenty per cent) or more, in the relevant previously approved related party transaction.]

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

[The following shall also be treated as Related Party –

- (i) All persons or entities forming part of promoter or promoter group irrespective of their shareholding;
- (ii) Any person/entity holding equity shares in the listed entity, as below, either directly or on a beneficial interest basis at any time during the immediately preceding financial year :
 - To the extent of 20% or more
 - To the extent of 10% or more w.e.f. April 1,2023.]

(f) "Related Party Transaction" (RPT) means a transaction in the nature of contract involving transfer of resources, services or obligations between the Company 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;

[The RPT shall include transactions between -

- (i) The Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand;
- (ii) The Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries w.e.f. April 1, 2023.]

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 [and subsequent material modifications] 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.

[Members of the Audit Committee, who are Independent Directors, shall only approve related party transactions.]

3.A.2. 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.

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. The 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.

3.A.6. [Prior approval of the Audit Committee shall be required for :

- a) All RPTs and subsequent Material Modifications.
- b) RPTs where Company's subsidiary is a party but Company is not a party, if the value of such transactions, whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the consolidated turnover of the Company as per the last audited financial statements of the Company;
- c) With effect from April 1, 2023, a related party transaction to which the Company's subsidiary is a party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of such subsidiary.

Provided that prior approval of the Audit Committee of the Company shall not be required for RPTs where a listed subsidiary of the Company is a party but the Company is not a party, if Regulation 23 and 15(2) of SEBI LODR are applicable to such listed subsidiary.]

3.A.7. The Audit Committee shall recommend the Related Party Transactions for approval of the Board/Shareholders as per terms of this Policy.

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 recuse 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 (and subsequent Material Modifications) 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 thresholds prescribed under the Companies Act, 2013 as per Annexure I, it shall require shareholders' prior approval by an ordinary resolution. In such a case, all entities falling under the definition of related party, shall not vote on resolution passed for approving such related party transaction, irrespective of whether the entity is a party to the particular transaction or not.

[Provided that prior approval of shareholders of the Company shall not be required for RPTs where listed subsidiary is a party but the Company is not a party, if Regulation 23 and 15(2) of SEBI LODR are applicable to such listed subsidiary.]

Provided that the aforesaid requirements shall not apply in respect of a resolution plan approved under Section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

Provided that the Material Related Party Transactions entered into by the Company with its wholly owned subsidiary(ies) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval shall not require approval of the shareholders.

[Provided that the provisions pertaining to :

* Prior approval of the Audit Committee for all RPTs

* Omnibus approval for RPTs; and

* Prior approval of shareholders for Material Related Party Transactions and subsequent Material Modifications

Shall not be applicable : (1) when the transactions are entered into between two government companies; (2) when the transactions are entered into between two wholly owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the General Meeting for approval.]

D. Related Party Transactions not approved under this Policy

If a Related Party Transaction is entered into by the Company without being approved under this Policy, the same shall be reviewed by the Audit Committee. The Audit Committee shall evaluate the transaction and may decide such action as it may consider appropriate including ratification, revision or termination of the Related Party Transaction. The Audit Committee may examine the facts and circumstances of the case and take any such action it deems appropriate.

E. Reporting of related party transactions

3.E.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.

* Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.

* The Company shall submit [enhanced disclosure of information related to RPTs to be provided to the Stock Exchanges every six months in the format specified by the SEBI with the following timelines :

i) simultaneously with the standalone financial results for each half year.

* The Company shall disclose 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.
