



UNITED INDIA INSURANCE COMPANY LIMITED

Registered Office: 24, Whites Road Chennai 600034

CIN: U93090TN1938GOI000108

RELATED PARTY TRANSACTION POLICY

With effect from 01.04.2024

RELATED PARTY TRANSACTIONS POLICY

1. Purpose/ Overview of the Policy

United India Insurance Company Limited (hereinafter called "Company") is governed, amongst others, by the rules and regulations framed by the IRDAI and Companies Act. The requirement of the Company framing the Related Party Transactions Policy is necessitated on account of the new IRDAI (Corporate Governance for Insurers) Regulations, 2024 effective from 20th March 2024.

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.

2. 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. Insurance Regulatory and Development Authority of India (IRDAI) refers to Insurance Regulatory and Development Authority of India Act, 1999 & Rules and Regulations made thereunder and include any statutory modification or re-enactment thereof for the time being in force.
- d. "Related Party" with reference to company means 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.
- e. "Key Management Person" – Key Management Person as per IRDAI shall include members of the core management team of an insurer or applicant including all whole-time directors or Managing Directors or Chief Executive Officer and the functional heads one level below the Managing Director or Chief Executive Officer, including the Chief Financial Officer, Appointed Actuary, Chief Investment Officer, Chief Risk Officer, Chief Compliance Officer and the Company Secretary.

- 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. 20th March, 2024.]

3. Review and approval of Related Party Transaction

1. Audit Committee

- i. 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.
- ii. 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.
- iii. 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.
- iv. 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.
- v. 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.
- vi. 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.
- vii. Prior approval of the Audit Committee shall be required for:
 - a. All RPTs.

- 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.
- viii. Prior approval of the Audit Committee shall not be required in the following cases:
- a. 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
 - b. Related Party Transactions entered into between two Government Companies
- ix. The Audit Committee shall recommend the Related Party Transactions for approval of the Board/Shareholders as per terms of this Policy.

2. Board of Directors

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,
2. 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.

3. Shareholders

1. If a related party transaction is
 - i. not in the ordinary course of business, or
 - ii. not at arm's length price and exceeds thresholds prescribed under the Companies Act, 2013, 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.
2. 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.

3. Related Party Transactions entered into between two Government Companies

4. Ratification of Related Party Transactions

1. If any contract or arrangement entered into by a Director or Key Managerial Personnel without obtaining the consent of the Audit Committee/Board/Shareholders, the Audit Committee/Board/Shareholders can ratify at a duly convened Meeting within three months from the date on which such contract or arrangement was entered into, else, the contract/arrangement/transaction becomes voidable.
2. In case if ratification is not obtained and if the contract or arrangement is with a party related to any Director, or is authorised by any other Director, the Directors concerned shall indemnify the Company against any loss incurred by it.

5. 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 may after considering all the relevant facts and circumstances regarding the Related Party Transaction, evaluate all options available, including ratification, revision or termination of Related Party Transaction and may take appropriate decision. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transactions and shall take any such action as it deems appropriate.

In case the Audit Committee does not deem fit to ratify a Related Party Transaction under the para above, that has commenced without approval, the Audit Committee, may direct additional actions including, but not limited to, immediate discontinuation of the transaction or such other matter as it may deem appropriate. The Audit Committee also has the authority to modify or waive any procedural requirement of the Related Party Transaction to suit the provision of this policy.

In other circumstances, the Audit Committee may recommend to the Board and the same shall be empowered to take decision in respect of such Related Party Transaction, as it may deem appropriate in the matter.

6. Reporting of related party transactions

- a. Details of contract(s) or arrangement(s) have to be disclosed in the Board's Report in the prescribed format as per AOC-2 along with the justification. The same shall be placed before Audit Committee for its review and then to the Board as part of Directors' report for approval.
- b. The Company shall keep a register in the prescribed form giving the particulars of all contracts or arrangements in such manner and containing particulars duly authenticated by the authorized official as decided by the Board and thereafter the same shall be placed before the next meeting of the Board.
- c. Necessary disclosures be made in the Annual Financial Statements as required under IND AS 24 and IRDAI circular and guidelines.
- d. The Company shall disclose the policy on dealing with Related Party Transactions on its website and also in the Annual Report as required by applicable laws, rules and regulations.
- e. All Related Party Transactions that are required to be disclosed in the Company's filings with

the Registrar of Companies, as required by the Companies Act, 2013 and to the Authority under IRDAI regulations, shall be so disclosed in accordance with such laws, rules and regulations.

7. Maintenance of Records

All disclosures, agreements along with proper justification for the related party transaction(s) and supporting documents shall be maintained and preserved by the Company for a period of eight (8) years from the end of the financial year to which it relates by any person as authorized by the Board for the purpose.

8. Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act 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.