

NIVA BUPA HEALTH INSURANCE COMPANY LIMITED

RELATED PARTY TRANSACTION POLICY

Reviewed by	Mr. Vishwanath Mahendra (Chief Financial Officer)
Prepared by	Rajat Sharma (Company Secretary)
Approval date	May 10, 2024

1. PREAMBLE

In furtherance of *inter alia* Regulation 23 of the LODR, the Company is required to formulate and adopt a policy on materiality of related party transactions and on dealing with related party transactions.

In accordance with the foregoing, this related party transaction policy is set out below.

2. OBJECTIVE

The Company recognizes that while transacting with Related Parties are a normal part of business transactions, applicable laws require that appropriate approvals are duly obtained, and reporting and disclosures are duly made and adhered to by all concerned. The Board has adopted this Policy through which it aims to: (a) provide guidance on the standards for undertaking a Related Party Transaction, and (b) ensure that the spirit and requirements of all applicable laws are complied with.

3. DEFINITIONS AND INTERPRETATION

In this Policy, the following words and expressions shall have the meanings set forth below:

Arm's Length Pricing 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 the audit committee formed as per Section 177 of the Companies Act 2013 and IRDAI (Corporate Governance) Guidelines, 2016 and as amended & applicable from time to time;

Board means the board of directors as defined under Section 2(10) of the Companies Act, 2013, i.e. "Board of Directors" or "Board" in relation to a company, means the collective body of the Directors of the Company;

Companies Act means the Companies Act, 2013, as amended from time to time;

Company Secretary means the Company Secretary as defined under Section 2(24) of the Companies Act, 2013, i.e. "Company Secretary" or "Secretary" as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by the Company to perform the functions of a company secretary under the Companies Act, 2013;

Director means a director as defined under Section 2(34) of the Companies Act, i.e. a 'Director' appointed to the Board of a Company;

LODR means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;

Material Related Party Transactions means:

- (a) a transaction with a related party, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds INR 1,000 crore or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the Company, whichever is lower; or
- (b) a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the Company;

Material Modification means and include any modification(s) to the Related Party Transactions having variance of [20]% of the existing limit approved by the Audit Committee.;

MBP Rules means Companies (Meetings of Board & its powers) Rule 2014;

Ordinary Course of Business means those transactions as are determined to be in the ordinary course of business of the Company, based on the guiding principles referred in the 'RPT Guidance Note issued by the Institute of Company Secretaries of India', which are listed hereunder:

- (a) Whether the activity is covered in the objects clause of the Memorandum of Association;
- (b) Whether the activity is in furtherance of the business;
- (c) Whether the activity is normal or otherwise routine for the particular business (i.e. activities like advertising, staff training, etc.);
- (d) Whether the activity is repetitive/frequent;
- (e) Whether the income, if any, earned from such activity/transaction is treated as business income in the company's books of account;
- (f) Whether the transactions are common in the particular industry;
- (g) Whether there is any historical practice to conduct such activities;
- (h) The financial scale of the activity with regard to the operations of the business;
- (i) Revenue generated by the activity; and Resources committed to the activity;

Related Party means a related party as defined under Section 2(76) of Companies Act or under the applicable accounting standards.

Additionally, the following shall be deemed to be a related party:

- (a) any person or entity forming a part of the promoter or promoter group of the listed entity;
or

- (b) any person or any entity, holding equity shares of ten per cent or more, in the listed entity either directly or on a beneficial interest basis as provided under Section 89 of the Companies Act, at any time, during the immediately preceding financial year.

Related Party Transaction means a transaction involving a transfer of resources, services or obligations between 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, 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 following shall not be treated as Related Party Transactions:

- (a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018;
- (b) the following corporate actions by the Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - (i) payment of dividend;
 - (ii) subdivision or consolidation of securities;
 - (iii) issuance of securities by way of a rights issue or a bonus issue; and
 - (iv) buy-back of securities;

Relative means a relative as defined under Section 2(77) of the Companies Act, 2013, i.e. a "relative", with reference to any person, means anyone who is related to another, if- (i) they are members of a Hindu Undivided Family; (ii) they are husband and wife; or (iii) Father including step- father, (iv) Mother including step-mother, (v) Son including step-son, (vi) Son's wife (vii) Daughter, (viii) Daughter's husband, (ix) Brother including step- brother, (x) Sister including step-sister; and

Shareholders means the shareholders of the Company, whether individuals, entities, or financial institutions.

Capitalised terms used in this Policy and not defined above shall have the same meaning as assigned to them under the LODR or any other applicable law.
4. REQUIRED APPROVALS AND ACTION STEPS

The compliances under Companies Act and LODR have to be construed harmoniously, however, in the instance of variance between Companies Act and LODR, the stricter regime shall prevail over the other. A snapshot of approval matrix for a Related Party Transaction under Companies Act and LODR is as below.

Approving authority	Companies Act	LODR
Approval of Audit Committee	<p><i>Requirement: Yes (required for all Related Party Transactions and subsequent modifications)</i></p> <p><i>Restrictions: NA</i></p> <p>Omnibus approval: The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to certain criteria/conditions as required under Rule 6A of MBP Rules and such other conditions as it may consider necessary in line with this policy and in the interest of the Company.</p> <p>Omnibus approval shall not be granted for a period exceeding one financial year.</p>	<p><i>Requirement: Yes (required for all Related Party Transactions, Material Modifications and Subsidiary Relevant RPT)</i></p> <p><i>Restrictions: Only independent directors who are part of the audit committee shall vote on this resolution for approval.</i></p>
Approval of Board	<p><i>Requirement: Yes (required for transactions listed in 188(1))</i></p> <p><i>Restrictions: 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.</i></p>	NA
Approval of Shareholders	<p><i>Requirement:</i></p> <p>(a) transactions which fall within the ambit of Rule 15 of MBP Rules, and</p> <p>(b) transaction is either not in the Ordinary Course of Business or is not at Arm's Length basis.</p> <p><i>Restrictions: A member which is a related party shall not vote.</i></p>	<p><i>Requirement: For Material Related Party Transactions or Material Modifications.</i></p> <p><i>Material RPT is:</i></p> <p>(a) general rule: transaction which exceeds lower of INR 1000 crore or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower, and</p> <p>(b) special rule exception case: in case of brand usage or royalty</p>

Approving authority	Companies Act	LODR
		<p>transaction, 5% of annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.</p> <p><i>Relevant provision:</i> Regulation 23(4) read with proviso to Regulation 23(1) and Regulation 23(1A) of LODR</p> <p><i>Restrictions:</i> No related party shall vote to approve.</p>

5. DISCLOSURE OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS

The Finance Department of the Company and the Company Secretary/Secretarial Department shall ensure that the following disclosures are made:

- (a) **Board Report:** Every contract or arrangement entered into in pursuance of a Related Party Transaction for which the Board's approval is required shall be referred to the Board and/or the Shareholders approval, along with justification for entering into such contract or arrangement shall be disclosed in the Board's Report along with necessary justification.
- (b) **Accounting Disclosures:** Name of the Related Parties and nature of the Related Parties relationship where control exists should be disclosed in the Board's Report irrespective of whether or not there have been transactions between the Related Parties.

If there have been transactions between Related Parties of the Company, the Company should disclose the following:

- (i) the name of the transacting Related Parties;
- (ii) a description of the relationship between the Related Parties;
- (iii) a description of the nature of Related Party Transactions;
- (iv) volume of the Related Party Transactions either as an amount or as an appropriate proportion;
- (v) any other elements of the Related Parties Transactions necessary for an understanding of the Financial Statements;
- (vi) the amounts or appropriate proportions of outstanding items pertaining to Related Parties at the balance sheet date and provisions for doubtful debts due from such Related Parties at that date; and

(vii) amounts written off or written back in the period in respect of debts due from or to Related Parties.

6. **(c) Reporting to stock exchange: The Company shall disclose all Related Party Transactions to the stock exchanges it is listed on, every 6 (six) months, in the format prescribed under LODR.****REVIEW AND APPROVAL OF POLICY**

This Policy will be reviewed by Audit Committee and approved by the Board, at least [annually] or as and when required.

7. **DISCLOSURE**

This Policy shall be disclosed on the website of the Company.

8. **INTERPRETATION**

In all circumstances where the terms of this Policy are inconsistent with any existing or newly enacted law, rule, regulation, or standard governing the Company, the said law, rule, regulation, or standard will take precedence over this Policy.

Any and all terms which have been defined under the Companies Act and/or the LODR (including subordinate legislations thereunder) shall be construed as per such definitions in these laws.