

IndiaFirst Life Insurance Company Limited

Policy on Related Party Transaction

Version	Date of approval	Approved by	Remarks
1.0	April 27, 2017	Board of Directors	Approved by Board

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POLICY ON RELATED PARTY TRANSACTION (Version 1.0)

1. Preface

This Policy is prepared with objective to regulate the transactions of the Company by the Related Parties in compliance with the various applicable laws, including under the Companies Act, 2013 as prescribed from time to time.

2. Definitions

- a) “**Act**” means the Companies Act, 2013 and Rules made thereunder.
- b) “**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.
- c) “**Ordinary course of business**” means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.
- d) “**Company**” means IndiaFirst Life Insurance Company Limited
- e) “**Relative**” with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder.
- f) “**Related Party**” have the meaning as defined in Section 2(76) of Companies Act, 2013.
- g) “**Related Party Transaction**” means any transaction involving transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged, including but not limited to the following –
 - I. sale, purchase or supply of any goods or materials;
 - II. selling or otherwise disposing of, or buying, property of any kind;
 - III. leasing of property of any kind;
 - IV. availing or rendering of any services;
 - V. appointment of any agent for purchase or sale of goods, materials, services or property;
 - VI. appointment to any office or place of profit in the company

Explanation: A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract.

- h) “**Key Managerial Personnel**” or “**KMP**” shall have the meaning as defined in Companies Act , 2013

3. Objectives :

The objective of this Policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the Act as may be applicable to the Company.

4. Approval matrix :

- a) All related party transactions require prior approval of the Audit Committee.
- b) The Audit Committee may grant omnibus approval for RPTs which are repetitive in nature, provided that such approval shall remain valid for a period not exceeding one year, during which period the commercial terms of approved RPTs may change, provided that arm’s length criteria shall be ensured at time of each such change. However, in case of related party transactions which cannot be foreseen and where the above details are not available, Audit Committee may grant omnibus approval provided the value does not exceed Rs.1 crore per transaction.
- c) The Audit Committee shall review, at least on a quarterly basis, the aggregated value and other details of related party transactions transacted into by the company pursuant to each of the omnibus approval given.
- d) Any RPT which is not in the ordinary course of business of the Company or not at arm’s length basis shall be effected only with prior approval of the Board of Directors, on recommendation of Audit Committee.
- e) Any RPT which is not in the ordinary course of business of the Company or not at arm’s length basis and exceed the thresholds laid down in the Companies (Meeting of Board and its Power) Rules, 2014 shall be placed before the shareholders for its approval.

5. Related Party Transactions not approved under this policy

In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the related party transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate.

6. Exclusion :

The following shall not be deemed as a RPT:

- a) Any transaction that involves the providing of compensation to a director by way of salary, fees, perquisites, rent free accommodation or otherwise , in connection with his or her duties of the Company ;
- b) Contribution made by the Company to a Charitable organization, trust, foundation or university at which a related party is a trustee, director or employee other than key managerial personnel (or comparable position) , provided that each such contribution , made in each financial year , does not exceed two percentage (2%) of the Company's average net profit for the preceding three financial years ;
- c) Any transaction in which the related party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the related party.

7. Disclosures :

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or arm's length basis along with the justification for entering into such transaction.

The Policy shall be published along with the Director's report and shall form part of the Annual Report.

8. Review of the Policy:

The Policy will be reviewed and/ or revised atleast once in a year or as and when required by Law , whichever is earlier.
