

UNITED VAN DER HORST LIMITED
POLICY ON RELATED PARTY TRANSACTIONS

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Introduction:

Considering the requirements for approval of Related Party Transactions as prescribed under the Companies Act, 2013 read with the Rules framed thereunder, as amended from time to time (**“Act”**) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (**“SEBI Listing Regulations”**), United Van Der Horst Limited (**“the Company”**) has formulated guidelines for identification of related parties and the proper conduct and documentation of all Related Party Transactions.

Also, Regulation 23(1) of the SEBI LODR requires a company to formulate a policy on the materiality of Related Party Transactions and dealing with Related Party Transactions. The said policy is required to include clear threshold limits approved by the Board.

Related Party Transactions can present a potential or actual conflict of interest, which may be against the best interest of the company and its shareholders.

In light of the above, the Company has framed this Policy on Related Party Transactions (**“Policy”**). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee.

Objective and Purpose:-

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

This Policy is set out to determine:

- a. the materiality thresholds for Related Party Transactions and;
- b. the manner of dealing with the transactions between the Company and its related parties

Terms and Definitions:

- 1) **“Act”** means The Companies Act, 2013, as amended from time to time.
- 2) **“Arm’s Length Transactions”** refers to a transaction that is usual or normal to the business and not exceptional, between two related parties that is conducted as if these were unrelated, so that there is no conflict of interest.
- 3) **“Audit Committee or Committee”** means the Committee of the Board constituted from time to time under the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Companies Act, 2013.
- 4) **“Board”** means the Board of Directors of the Company.
- 5) **“Company”** means **United Van Der Horst Ltd.**

- 6) **“Director”** shall have the meaning assigned to it under the Companies Act, 2013.
- 7) **“Interested Director”** means any Director, whether by himself or through any of his relatives, firms, body corporate, or other associations of individuals, in which he or his relative is a partner, director, or member, is concerned or interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company.
- 8) **“Key Managerial Person” or “KMP”** shall have the meaning assigned to it under the Companies Act, 2013.
- 9) **“Material Modification”** means any modification for an amount that results in a change in more than 10 percent for a Related Party Transaction that has already been approved by the shareholders, Board, or Audit Committee, as the case may be.

In addition to the above, the Audit Committee may from time to time and based on the facts of particular matter(s) in hand, decide whether the modification in any terms and conditions of an existing Related Party Transaction would tantamount to be a material modification and thus requisite approvals may be required for the modification of the said transaction.

- 10) **“Material Related Party Transaction”** means such transactions as may be prescribed either in the Companies Act, 2013 or SEBI Listing Regulations, whichever is stringent, from time to time.
- 11) **“Ordinary Course of Business”** means a usual transaction if it is entered into in relation to the provision of goods or services in which the Company regularly deals or where the transaction is in respect of goods or services in which the counterparty normally deals, and the Company repeatedly enters into such transactions for the purpose of its business or the transaction is necessary, normal and incidental to the business.

The Board and Audit Committee may lay down the principles for determining the ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines

- 12) **“Related Party”** means a person or an entity that is a related party under SEBI Listing Regulations or section 2(76) of the Companies Act, 2013 or under applicable Accounting Standards.
- 13) **“Related Party Transaction” or “RPT”** shall mean such transaction as specified under section 188 of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations.
- 14) **“Relative”** with reference to any person shall have the same meaning as defined in section 2(77) of the Act
- 15) **“SEBI Listing Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Words and expressions used but not defined in this code shall have the same meaning assigned to them in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or the

Companies Act, 2013 and the rules made thereunder, as the case may be or in any amendment thereto.

Scope:

This Policy applies to the Company and its subsidiaries, and associate Companies. The scope of this Policy includes the identification, review, approval, and disclosure of all transactions between the Company and its Related Parties. This Policy is designed to ensure that all Related Party Transactions are conducted in a manner that is transparent, fair, and in the best interest of the Company and its shareholders.

Identification of Related Parties and the Related Party Transactions:

1. Every director and key managerial personnel (KMP) of the Company shall:

- a. at the time of appointment;
- b. annually; and
- c. whenever there is any change in the information already submitted,

provide requisite information about his / her Relatives and all firms, entities, and body corporates, in which such director or KMP is interested, whether directly or indirectly, to the Company Secretary of the Company or the subsidiary (as the case may be).

Every such director and KMP shall also provide any additional information about the transaction, that the Board / Audit Committee may reasonably request.

2. Each Subsidiary and Associate Company shall furnish an updated list of its Related Parties to the Company.
3. On the basis of the above, a consolidated list of Related Parties shall be prepared in accordance with the provisions of the Act and SEBI Listing Regulations.
4. Potential transactions with the Related Parties, as per the above-mentioned list, shall be identified and a proposal with details as mentioned in 'Criteria for granting Omnibus Approval' of this Policy, shall be submitted for requisite approval.
5. The subsidiaries shall, from time to time, provide to the Company, information on any proposed Material Related Party Transactions and any Material Modification(s), for the purpose of obtaining requisite approvals from the Company.

Approval of Related Party Transactions:

Approval of the Audit Committee

1. All RPTs between the Company and its Related Parties, and any modifications therein, shall require prior approval of the Audit Committee.
2. RPTs to which a subsidiary of the Company is a party, but the Company is not a party ('Other RPTs'), shall require prior approval of the Audit Committee of the Company if the value of the transaction (whether entered into individually or taken together with previous

transactions, during a financial year) exceeds the statutory limits prescribed in the SEBI Listing Regulations.

Provided that, if an RPT is entered into between any subsidiary of the Company and promoters, promoter group, directors, or KMPs of the Company, including any entity or Body Corporate in which any of them are concerned or interested, such RPT will require prior approval of the Audit Committee and the threshold limit set herein, shall not be applicable.

3. The Audit Committee may grant omnibus approval for the RPTs, which are routine and repetitive in nature, and which satisfy the criteria for omnibus approvals, as prescribed under the Act or the SEBI Listing Regulations.
4. Where the need for the RPT cannot be foreseen and the aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.
5. Such omnibus approval shall be based on the 'Criteria for granting Omnibus Approval' of this Policy.
6. Omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval, before the expiry of the approval period.
7. Only Independent Directors, who are members of the Audit Committee shall approve the RPTs. In case such an Independent Director is interested in any potential RPT, then he/she shall abstain from voting when such transaction is being considered.
8. In case the Audit Committee does not approve any transaction, it shall make its recommendations on such RPTs to the Board.

Approval of the Board of Directors

Subject to RPT which also requires approval of the Shareholders, the following RPTs shall require additional approval of the Board of Directors:

1. All transactions between the Company and its Related Parties which are not in the Ordinary Course of Business, or not proposed to be executed as an Arm's length transaction.
2. Transactions that are not approved by the Audit Committee, or in the opinion of the Audit Committee, need special consideration/determination by the Board.
3. Where it is mandatory under any law for the Board to approve such transactions

Where any director is concerned or interested in any potential RPT, such director shall abstain from discussion and voting when such transaction is being considered.

Approval of the Shareholders of the Company:

The following RPTs and subsequent Material Modifications thereto shall be subject to prior approval of shareholders of the Company, by way of a resolution:

1. All Material Related Party Transactions; and
2. RPTs which require approval of the shareholders, as per provisions of the Act and the rules made thereunder.

No Related Party shall vote to approve such a resolution, irrespective of whether the entity is a Related Party to the particular transaction or not.

The Audit Committee and the Board shall approve and recommend all Material Related Party Transactions, before submitting the same for approval of the shareholders of the Company.

The following RPTs shall be exempt from the requirement of prior approval of the shareholders:

1. Transactions between and among the wholly owned subsidiary(ies) and the Company, whose accounts are consolidated with the Company, if such transactions are in the Ordinary Course of Business or executed as an Arm's length transaction.
2. transactions between and among two or more wholly owned subsidiaries of the Company, whose accounts are consolidated with the Company.

Procedure and Criteria for Omnibus Approval of Related Party Transactions:

The Audit Committee shall lay down the criteria as approved by the Board for granting the omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions that are repetitive in nature

While assessing any proposal, the Audit Committee may review the documents / seek information from the Management of the Company

The maximum value of the transactions, in aggregate, which can be allowed in the omnibus route and the maximum value per transaction, shall be such as are approved by the Audit Committee.

The omnibus approval shall provide details of:

- a. name of the related parties;
- b. nature and duration of the transaction;
- c. maximum amount of transaction that can be entered into;
- d. the indicative base price or current contracted price and the formula for variation in the price, if any; and
- e. any other information relevant or important for the Audit Committee to take a decision on the proposed transaction

Where the need for related party transactions cannot be foreseen and aforesaid details are not available, the audit committee may make omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

Omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such financial year.

Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.

The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity pursuant to each of the omnibus approvals given.

In determining whether to approve an RPT, the Committee shall inter-alia consider the following factors, to the extent relevant to the matter:

- a. Whether the proposed transaction is in the best interest of the Company.
- b. Whether the terms of the proposed transaction are fair and it is an Arm's length transaction.
- c. Whether the proposed RPT is permissible under the provisions of Applicable Laws.
- d. Whether such contract or arrangement is proposed to be entered into on terms no less favourable to the Company than terms generally available to an unaffiliated third party under the same or similar circumstances;
- e. Whether there are any compelling business reasons for the Company to enter into the RPT and the nature of alternative transactions, if any.
- f. Whether the proposed transaction includes any potential reputational risk issues.
- g. Whether the RPT would present an improper conflict of interest for any director or KMP of the Company, or a subsidiary of the Company, to the extent of the director or KMP's interest in such contract or arrangement.

Related Party Transactions not previously approved:

- a. In the event the Company becomes aware of any RPT that has not been approved under this Policy, the transaction shall be placed as promptly as practicable before the Committee, the Board, or the Shareholders ('Approving Authority' for the purpose of this Policy) as may be required in accordance with this Policy, for review and ratification.
- b. The Approving Authority shall consider all relevant facts and circumstances relating to such transaction and decide such action as it may consider appropriate, including ratification, revision, or termination of the Related Party Transaction. The decision of the Approving Authority shall be binding under all circumstances.
- c. Audit Committee may, at its discretion, examine the internal controls and the reasons for failure in reporting/ obtaining prior approval of such RPT and direct the management to strengthen the internal controls for dealing with RPTs.

Review and Revisions:

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective.

Any changes or modifications to the Policy as recommended by the Committee would be placed before the Board for their approval.

In any circumstance, where the terms of this Policy differ from any law, rule, regulation, etc. for the time being in force, the law, rule, regulation, etc. shall take precedence over this Policy.
