



UNO MINDA LIMITED

(FORMERLY KNOWN AS MINDA INDUSTRIES LIMITED)

**POLICY ON MATERIALITY OF RELATED PARTY TRANSACTION
&
ON DEALING WITH RELATED PARTY TRANSACTION**

UNO MINDA LIMITED
POLICY ON MATERIALITY OF RELATED PARTY TRANSACTION
&
ON DEALING WITH RELATED PARTY TRANSACTION

1. PREAMBLE

The Board of Directors ("the Board") of the Uno Minda Limited ("the Company") has in accordance with Companies Act, 2013 (the "Act") read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") has adopted this policy on 'Materiality of Related Party Transactions and on Dealing with Related Party Transactions ('Policy').

2. PURPOSE

The purpose of the Policy is to set out (a) the materiality thresholds for related party transactions (RPT) and material modification thereto and; (b) the manner of dealing with Related Party Transactions based on the Act, Regulation 23 of the SEBI LODR Regulations and any other laws and regulations as may be applicable to the Company. Such transactions shall be deemed appropriate only if they are in the best interest of the Company and its stakeholders. The Company is committed to transparency and fairness in dealing with all Related Parties and in ensuring adherence to all applicable laws and regulations.

3. DEFINITIONS

- Accounting Standards: shall mean the standards of accounting or any addendum thereto for companies or class of companies referred to in Section 133 of the Act.
- Act: shall mean the Companies Act, 2013, and the Rules made thereunder, as in force, from time to time and includes all amendments thereto, notifications, circulars, clarifications issued thereunder.
- Audit Committee: means the Audit Committee of the Board of Directors of the Company constituted in accordance with the requirements prescribed under the Act and SEBI LODR Regulations.
- Key Managerial Personnel: shall have the meaning ascribed to it under Section 2(51) of the Act.
- Material Related Party Transactions: shall mean any transaction(s) with a Related Party to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs.1000 Crore (Rupees one thousand crore) or 10% (ten per cent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

Notwithstanding the above, 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, exceeds 5% (five per cent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

- Senior Management: shall mean the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing

Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the Company.

- Internal Auditor: shall have the meaning ascribed to it under Section 138 of the Act.
 - Person: shall mean any natural person or any legal entity or body corporate or Company or limited liability partnership having the status of body corporate, by virtue of its incorporation under any law for the time being in force in any country.
 - Related Party: is a person if such person is related to a company in any one or more of the following ways:
 - a) Such Person/entity is a Related Party under Section 2(76) of the Act; or
 - b) Such Person/entity is a Related Party under the applicable Accounting Standards; or
 - c) any Person/entity forming a part of the promoter or promoter group of the listed entity; or
 - d) any Person or any entity, holding equity shares of 10% (ten per cent) or more in the company directly or on a beneficial interest basis as provided under Section 89 of the Companies Act, 2013, at any time, during the immediately preceding financial year
 - Related Party Transactions: means a transaction involving a transfer of resources, services or obligations between:
 - (i) 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; or
 - (ii) 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 listed entity 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
- This definition shall not include such transactions with Related parties which are expressly provided under clause 2(ZC) of SEBI LODR Regulations as under:
- (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.
 - (c) retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors.

- Relative: shall have the meaning ascribed to it under Section 2(77) of the Act.
- Turnover: means the gross amount of revenue recognised in the profit and loss account from the sale, supply, or distribution of goods or on account of services rendered, or both, by the Company during a financial year.

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and the SEBI Listing Regulations as amended from time to time.

In the event of any inconsistency or conflict between a term as defined in this Policy and as prescribed under LODR Regulations, the Act or Accounting Standards, the definition as provided under LODR Regulations, the Act or Accounting Standards shall prevail.

4. MATERIALITY THRESHOLDS

4.1. Regulation 23 of the SEBI LODR Regulations requires a Company to provide materiality thresholds for transactions beyond which approval of the shareholders through resolution will be required and no Related Party shall vote to approve such resolution, whether the entity is a Related Party to the particular transaction or not.

4.2. The Company has fixed its materiality threshold on the basis of regulation 23 of the SEBI LODR Regulations as under: -

4.2.1. Payment to a Related Party with respect to brand usage or royalty:

Materiality threshold shall be as per limits specified under SEBI Listing Regulations as amended from time to time.

4.2.2. Other Transaction with Related Parties:

In case of any other Transaction, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten percent (10%) of the annual consolidated turnover of the Company as per last audited financial statements of the Company, whichever is lower.

4.2.3. Material modification:

The following modification(s) to a related party transaction will be treated as material modification and shall be dealt accordingly:

- (a) A variation in the value of the transaction/contract as originally approved, by 25% or more; or
- (b) Any novation of the contract or arrangement to a third party; or
- (c) Any modifications to the material related party transactions which were approved by the Audit Committee or Shareholders during the year which will change the complete nature of the transaction

The following will be excluded while determining the materiality of modification:

- (a) modifications which may be mandated pursuant to change in Law;
- (b) modifications pursuant to and in accordance with the terms of the approved transaction/contract whether with or without mutual consent of parties, as the case may be;
- (c) modifications resulting from change in constitution of either of the parties pursuant to schemes of arrangement;

- (d) modifications which are purely technical and do not result in substantive change or alteration of rights, interests, and obligations of any of the parties;
- (e) modifications uniformly affected for similar transactions with unrelated parties

5. RELATED PARTY TRANSACTIONS – FRAMEWORK FOR IDENTIFICATION

5.1. Identification of Related Parties

The Company has system for identification and updating the list of related parties as per the Act and SEBI LODR Regulations.

5.2. Identification of Potential Related Party Transactions

All Related Party Transactions shall be brought to the notice of Audit Committee of the Company.

Any employee of the Company who is aware of any transaction that is or may be perceived to be a Related Party Transaction is required to bring the same to the attention of the Audit Committee through Company Secretary & Compliance Officer of the Company.

All Directors, Senior Management and Key Managerial Personnel (KMPs) are responsible for informing the Company of their interest (including interest of their Relatives) in other companies, firms or concerns at the beginning of every financial year and any change in such interest during the year, immediately on occurrence. Further, Directors, SMPs and KMPs should disclose to the Board whether they, directly, indirectly, or on behalf of third parties, have material interest in any transaction or matter directly affecting the Company.

In addition, all Directors and KMPs are responsible for giving notice to the Company Secretary & Compliance Officer of any potential Related Party Transaction(s) involving them or their Relatives.

Such notice of any potential Related Party Transaction(s) should be given well in advance so that the Company Secretary & Compliance Officer (or in his absence, such other person who may be entrusted for this purpose by the Audit Committee) has adequate time to obtain and review information about the proposed transaction and place the same before the Audit Committee.

6. RELATED PARTY TRANSACTIONS- PROCEDURE FOR APPROVAL

6.1. Approval of the Audit Committee of the Company

6.1.1. All Related Party Transaction(s) and subsequent material modification(s) [other than], shall be prior approved by the Audit Committee: However, approval of Audit Committee for following Related Party Transaction shall not be required for the following Related Party Transactions:

- Transactions of the Company with wholly-owned subsidiary(ies) or the transactions between wholly owned subsidiary(ies) of the Company, provided that the accounts of those Wholly-owned subsidiaries are consolidated with the company and placed before the shareholders of the Company at the general meeting for approval;
- Remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of sub-regulation (1) of Regulation 23 of SEBI LODR Regulations.

6.1.2. Related Party Transactions of a subsidiary(ies) and subsequent material modifications, to which the Company is not a party shall require prior approval of the Audit Committee of the Company, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year:

- (a) exceeds 10% of the annual consolidated turnover, as per the last audited financial statements of the Company
- (b) With effect from April 1, 2023, exceeds 10% of the annual standalone turnover, as per the last audited financial statements of the subsidiary

6.1.3. However, the Company may obtain omnibus approval from the Audit Committee for such transactions mentioned in 6.1.1 and 6.1.2 above, subject to compliances with the following conditions:

The Audit Committee shall lay down the criteria for granting the omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature;

The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;

The omnibus approval shall provide details of (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transactions in aggregate that can be entered into in a financial year, (ii) the indicative base price/current contracted price and the formula for variation in the price, if any and (iv) such other conditions as the Audit Committee may deem fit;

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 for such transactions provided the value does not exceed Rs. 1 crore per transaction;

The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approval given;

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

Such omnibus approvals shall be valid for a period not exceeding 1 financial year and shall require a fresh approval after expiry of such financial year.

6.1.4. Information to be reviewed by the Audit Committee for approval of Related Party Transactions

Following information shall be placed before the Audit Committee for the approval of Related Party Transactions:

- a) Type, material terms and particulars of the proposed transaction;
- b) Name of the related party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);
- c) Tenure of the proposed transaction (particular tenure shall be specified);
- d) Value of the proposed transaction;
- e) The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);

- f) If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:
 - i. details of the source of funds in connection with the proposed transaction;
 - ii. where any financial indebtedness is incurred to make or give loans, interoperate deposits, advances or investments,
 - nature of indebtedness;
 - cost of funds; and
 - tenure;
 - iii. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - iv. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT
- g) Justification as to why the RPT is in the interest of the listed entity;
- h) A copy of the valuation or other external party report, if any such report has been relied upon;
- i) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
- j) Any other information that may be relevant.

6.1.5. Any member of the Committee who is interested in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.

6.1.6. Only the Independent Directors who are the members of the Audit Committee shall approve related party transaction(s)

6.2. Approval of the Board of Directors of the Company

6.2.1. As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm's length basis, are to be placed before the Board for its approval.

6.2.2. Any member of the Board who is interested or has a potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.

6.3. Approval of the Shareholders of the Company

6.3.1. All the material related party transactions including any subsequent material modification(s) thereof, with related parties, as laid down in Clause 4 of the Policy, shall be placed before the shareholders for their prior approval. No related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

6.3.2. Further, all related party transactions which are not in the ordinary course of business or not at the arm's length price and are exceeding threshold limits prescribed under Section 188 of the Companies Act, 2013 and Rules made thereunder shall also require prior approval of shareholders of the Company by way of Ordinary Resolution and all persons/entities falling under the definition of Related Parties shall not vote to approve the relevant transaction, irrespective of whether the person/entity is a party to the particular transaction or not.

6.3.3. At the time of seeking approval from the shareholders for a related party transaction, the company shall place before the shareholders the information as mentioned under Clause 6.1.4 of this policy.

7. PERIODICAL REVIEW:

The Internal Auditor of the Company shall conduct a thorough review of all Related Party Transactions involving the Company and its subsidiaries with their Related Parties, ensuring that all transactions with related parties are accurately reconciled, and shall subsequently provide a RPT Report to the Audit Committee of the Company for its quarterly review.

8. DISCLOSURES

Related Party Transactions or contract or arrangement entered shall be disclosed in the following manner:

- 8.1. 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.
- 8.2. The Company shall submit to the stock exchanges disclosures of related party transactions within the timeline as prescribed under SEBI LODR Regulations and shall also publish the same on website of the Company. Provided that the remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require disclosure under this sub-regulation provided that the same is not material in terms of Clause 4.2 of this Policy.
- 8.3. As prescribed under Regulation 46(2)(g) of the SEBI LODR Regulations, this Policy shall be disclosed on the Company's website viz. www.unominda.com

9. RATIFICATION OF RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

9.1. Ratification of RPT by Board/Shareholders of the Company

Where any contract or arrangement for a related party transaction is entered into by a director or any other employee, without obtaining the consent of the Board and/or approval, if required, by a resolution in the general meeting and if it is not ratified by the Board and/or by the shareholders at a meeting, as the case may be, within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board and/or as the case may be, of the shareholders and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

9.2. Ratification of RPT by Audit Committee of the Company

Where any transaction or contract or arrangement for a related party transaction is entered into by a director or officer of the Company, without obtaining the consent of the Audit Committee and if it is not ratified by the Audit Committee within three months from the date of the transaction or within three months from the date on which such contract or arrangement was entered into or in the immediate next meeting of the Audit Committee, whichever is earlier, such transaction or contract or arrangement shall be voidable at the option of the Audit Committee and if the transaction or contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

Ratification Process by Audit Committee:

The members of the audit committee, who are independent directors, may ratify a related party transaction or contract or arrangement for a related party transaction within three months from the date of such transaction or contract or arrangement in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- (i) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- (ii) the transaction is not a material transaction;
- (iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- (iv) the details of ratification shall be simultaneously disclosed to the stock exchange at the time of filing RPT disclosure;
- (v) any other condition as specified by the audit committee

10. POLICY REVIEW

This Policy shall be reviewed by the Board as and when any changes are to be incorporated in the Policy due to change in applicable law or at least once in every three years and updated accordingly.

11. AMENDMENT OF POLICY AND LIMITATION

In the event of any conflict between the provisions of this Policy and of the Act or SEBI LODR Regulations or any other statutory enactments or rules, the provisions of the Act or SEBI LODR Regulations or other statutory enactments or rules shall prevail over this Policy. Any subsequent amendment / modification in the SEBI LODR Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

This updated policy on dealing with Related Party Transactions is approved by the Board of Directors on this February 06, 2025.