

# POLICY ON STEWARDSHIP CODE

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Summary of Changes:

Point No.	Page Ref.	Particulars	Previous step	Additions/Changed step	Reason for changes

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## 1. Background:

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1. Insurance Regulatory Development Authority of India (IRDAI) vide reference no. IRDA/F&A/GDL/CMP/059/03/2017 has issued Guidelines on Stewardship Code for Insurers in India (Guidelines) on 22nd March 2017.
2. IRDAI through these Guidelines has advised insurers to put in place, with the approval of the Board, a policy to discharge stewardship responsibilities with an aim to enhance and protect the value for the ultimate beneficiary or client.

## 2. Stewardship Activities:

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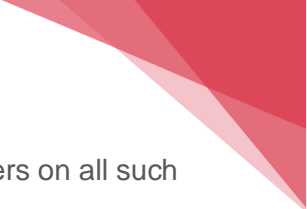
1. Stewardship activities include monitoring and engaging with companies on matters such as strategy, performance, risk, capital structure, leadership effectiveness, succession planning, remuneration and corporate governance including culture, social and environment matters.
2. The policy may also decide to engage/intervene only selectively based on its extent or level of investment, in which case a threshold need be determined.
3. The policy should identify and manage conflicts of interest as to putting interests of client or beneficiary first.
4. The policy shall cover the collaboration with other Institutional investors, for larger engagement with the company, to safeguard interests of investors. The framework has to delve on independent judgment as regards voting decisions on resolutions and aim at promoting the overall growth of the investee companies and its investors.
5. The Board shall ensure that there is effective oversight on the insurer's stewardship activities and a Committee of the Board entrusted with the compliance with corporate governance code shall exercise the same.

## 3. Policy for discharge of its stewardship responsibilities:

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Considering the guidelines issued by IRDAI to this effect, the following policy on the Stewardship Code (Policy) is brought out hereunder:

1. The Policy shall be applicable for investments where the shareholding is above 1% of the paid-up share capital of the investee company.
2. The investments team shall monitor the investment strategy, performance, risk, capital structure, leadership effectiveness, succession planning, remuneration and



corporate governance including culture, social and environment matters on all such companies.

3. Such engagement strategy shall be followed in an on-going basis, where needed, when specific notices are received from the companies in which an approval/voting is required.
4. The decision shall always be taken keeping the interests of beneficiaries/policy holders in mind and should aid the growth of the company and in turn its investors.
5. The decision shall also be taken at times in collaboration with other Institutional Investors, where the issue demands a larger engagement.
6. In respect of companies where the investments are lower than the threshold, it is expected that the engagement shall be minimum and decisions are taken on a need basis.
7. In respect of investments into non-equity where such notices (as a debenture-holder) are received, approval shall be based on investment/policyholders' interests in mind.
8. The Investment mid-office shall monitor, in coordination with Investment back-office, that the notices are received and the spirit of the policy is followed.
9. The investment front-office shall be responsible for adherence and implementation of this Policy.
10. The compliance department shall report status to the Authority (IRDAI) on a regular basis.