

Disclosures under Stewardship Code

With the objective to improve governance of Investee Companies and ultimately the return on investment of insurers, the Insurance Regulatory and Development Authority of India issued the Guidelines on Stewardship Code for Insurers in India vide circular dated March 20, 2017 (Stewardship Guidelines).

The Stewardship Guidelines broadly requires the insurers to have a policy as regards the engagement with the management of the Investee Companies, their conduct at the general meetings, exercise of voting rights on shareholder resolutions of Investee Companies and the disclosures relating thereto.

In accordance with Principle 7 of the Stewardship Guidelines, Insurers should provide a periodic report to the ultimate beneficiaries (policyholders) of how stewardship responsibilities are discharged, as a part of public disclosures.

Accordingly, the status report on compliance with the stewardship activities/responsibilities of the Company during FY 2017-18 is mentioned below:

Status of Compliance with Stewardship Principles

| Sr. No. | Particulars of Principles of Stewardship Code | Status (Deviation, Partly complied, Not complied) | Reason/Justification for deviation or non-compliance |
|---------|---|--|--|
| 1 | Discharge of Stewardship Responsibilities and public disclosure | Complied The Board of Directors has approved the Stewardship Code by passing of resolution by circulation dated September 21, 2017. The Code 1 of the Stewardship Code defines the Primary Stewardship Responsibilities, manner to discharge its responsibilities, and oversight of stewardship activities. | - |

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|---------|--|--|--|
| 2 | Managing Conflict of Interest | Complied The Code 2 of the Stewardship Code defines the manner of managing conflict of interest in fulfilling stewardship responsibilities. | - |
| 3 | Monitoring of Investee Companies | Complied The Code 3 of the Stewardship Code prescribes the manner of monitoring Investee Companies. | - |
| 4 | Active Intervention in the Investee Company | Complied The Code 4 of the Stewardship Code defines the policy on intervention in the investee companies | - |
| 5 | Collaboration with other Institutional Investors | Complied The Code 5 of the Stewardship Code explains the policy on collaboration with other institutional investors, where required to preserve the interest of the policyholders. | - |
| 6 | Voting and disclosure of voting activity | Complied The Company has formulated a separate Policy for exercising voting rights defining the guiding principles for voting. | - |
| 7 | Reporting of Stewardship Activities | Complied The report on Stewardship | - |

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|---------|---|--|--|
| | | Activities is placed before the Investment Committee at its quarterly meeting. | |

Note:

In terms of Code 1.3 of the Stewardship Code of the Company, the Stewardship Principles shall be acted upon in respect of those investee companies in which the Company's investment is in excess of 1% of the Investment Assets of the Company as at the end of the immediately preceding quarter.

Since the Company's investment in none of the Investee Companies has exceeded the said limit, the requirement to apply Stewardship Principle did not arise. However, the Company monitors all the resolutions proposed by the Investee Companies for its shareholder approval, on a quarterly basis.
