

# IndiaFirst Life Insurance Company Ltd

## Stewardship Policy for Investments

### Version 4.0

Version	Date of Meeting	Approved by	Remarks/ Summary of changes
Ver 1	26-Jul-17	Board of Directors	Initial Policy
Ver 2	30-Apr-20	Board of Directors	Policy updated as per Revised Guidelines on Stewardship Code for Insurers in India issued by IRDAI dated 7 <sup>th</sup> February 2020
Ver 3	06-May-21	Board of Directors	<ul style="list-style-type: none"> <li>• Incorporated section providing overview on Documentation Control and Classification.</li> <li>• Incorporated the governing framework for approving the changes in the policy and disclosure of any modification in policy on website in Principle 1 on Stewardship Responsibilities and Public disclosures.</li> <li>• Incorporated a para on filing a status report with IRDAI on Annual basis on compliance with Stewardship principles stated in this policy in Principle 7 on Periodic reporting of Stewardship activities.</li> </ul>
Ver 4	11-May-22	Board of Directors	<ul style="list-style-type: none"> <li>• No Changes</li> </ul>

#### Document Control and Classification

<b>Policy Name:</b>	Stewardship Policy	
<b>Department:</b>	Investment	
<b>Document Owner</b>	Chief Investment Officer	
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<b>Information Classification:</b>	External	
<b>Prepared by</b>	<b>Reviewed by</b>	<b>Approved by</b>
Equity Research Analyst 13-Apr-22	Fund Manager-Equity and Chief Investment Officer 18-Apr-22	Board of Directors 11-May-22

## Preamble

Insurance Regulator and Development Authority of India (IRDAI) published the “Revised Guidelines on Stewardship Code for Insurers in India” on 7<sup>th</sup> Feb 2020<sup>1</sup>. The Stewardship principles of IRDAI reflects the role of institutional investors to engage actively with investee companies and ensure high standards of corporate governance. The following Stewardship Policy describes the approach adopted by IndiaFirst Life Insurance in fulfilling corporate governance and stewardship responsibilities.

In accordance with the IRDAI Stewardship’s Code requirement, these principles will be implemented in the following manner:

<b>Stewardship Principles as per IRDAI</b>	<b>Guidance as per IRDAI</b>	<b>IndiaFirst Life Insurance Stewardship Policy</b>
1: Stewardship Responsibilities and Public disclosure	<p>Stewardship activities include monitoring and engaging with investee companies on matters such as strategy, performance risk, capital structure, and corporate governance, including culture and remuneration.</p> <p>The Stewardship policy should identify and define the stewardship responsibilities that the insurer wishes to undertake and how it intends to fulfill the same to enhance the wealth of its clients. The policy should address all the aspects relating to stewardship activity like Managing conflict of interest, Training of personnel, monitoring of investee companies, Intervention in investee companies, Collaboration with other institutional investors and Voting activities. The policy should be approved by the Board of the insurer and should bring out how the insurer applies stewardship with the aim of enhancing and protecting the value for the ultimate beneficiary or client.</p>	<p><u>Governing Values:</u></p> <p>1. Founded upon the fiduciary principle, responsible investment process is indispensable to maximise benefits for policyholders’ without exposing them to unwarranted risk.</p> <p><u><sup>2</sup>Stewardship Approach:</u></p> <p>1.1) A well-defined investment policy and approved investment universe is in place for extensive research of companies involving analysis of factors such as (but not limiting to) strategy, performance, risk, capital structure and corporate governance including culture and remuneration. Every company in the approved investment universe is allocated to an analyst and it is continuously monitored and assessed. The investment team has regular meetings with investee companies where matters of particular relevance to shareholders value are covered and discussed.</p> <p>1.2) Investment activities at IndiaFirst Life Insurance is regularly monitored by two committees – Investment Committee (IC) and Sub-Committee of the</p>

<sup>1</sup> IRDAI has issued revised guidelines on stewardship code in Feb,2020

<sup>2</sup> Modified in the IC held in April 2020

Stewardship Principles as per IRDAI	Guidance as per IRDAI	IndiaFirst Life Insurance Stewardship Policy										
	<p>While the Boards of an insurer could decide to engage in all cases, it may also decide to selectively intervene based on its extent or level of investment. In such case, the policy should clearly identify the threshold (level of investment or any other criteria as may be determined by the Board) for intervention.</p> <p>The policy should clearly state whether the insurer intends to use the services of external service providers such as institutional advisors. In case services of any external service providers are used, the policy should provide for the mechanism to ensure that in such cases, stewardship responsibilities are exercised diligently. Though core function of investment cannot be outsourced, professional advices to arrive at voting decisions and research reports like Market survey data, Industry wide analysis, Business valuation, etc. may be sought from external agencies. The policy should clearly provide that the ultimate stewardship responsibilities shall be discharged by the insurer.</p> <p>The policy should be reviewed and updated periodically and the updated policy should be publicly disclosed on the insurer's website.</p>	<p>IC (Sub-IC) thereby strengthening internal communication on stewardship issues. The decisions taken in the Sub-IC meeting are reported to IC.<sup>3</sup></p> <p>1.3) Every resolution/agenda in the AGM/EGM of an investee company would be reviewed by IndiaFirst Life Insurance research team and Fund Managers. Based on facts and publicly disclosed information, recommendation would be made whether to exercise the vote – For/Against/Abstain. The recommendations will be discussed and approved as per the Delegation of Limit Table mentioned in the given below:</p> <ul style="list-style-type: none"> <li> <b>Delegation of Limit Table – 1A: For listed equity instruments</b> <table border="1" data-bbox="1252 719 2119 1224"> <thead> <tr> <th data-bbox="1252 719 1805 791"></th> <th data-bbox="1805 719 2119 791">Approval to be sought from</th> </tr> </thead> <tbody> <tr> <td data-bbox="1252 791 1805 900">Total holding of IndiaFirst Life Insurance up to <u>0.5%</u> of outstanding shares of investee company</td> <td data-bbox="1805 791 2119 900">Fund Manager</td> </tr> <tr> <td data-bbox="1252 900 1805 1008">Total holding of IndiaFirst Life Insurance up to <u>1.0%</u> of outstanding shares of investee company</td> <td data-bbox="1805 900 2119 1008">Chief Investment Officer</td> </tr> <tr> <td data-bbox="1252 1008 1805 1117">Total holding of IndiaFirst Life Insurance up to <u>3.0%</u> of outstanding shares of investee company</td> <td data-bbox="1805 1008 2119 1117">Sub-IC</td> </tr> <tr> <td data-bbox="1252 1117 1805 1224">Total holding of IndiaFirst Life Insurance up to <u>5.0%</u> of outstanding shares of investee company</td> <td data-bbox="1805 1117 2119 1224">IC</td> </tr> </tbody> </table> </li> </ul>		Approval to be sought from	Total holding of IndiaFirst Life Insurance up to <u>0.5%</u> of outstanding shares of investee company	Fund Manager	Total holding of IndiaFirst Life Insurance up to <u>1.0%</u> of outstanding shares of investee company	Chief Investment Officer	Total holding of IndiaFirst Life Insurance up to <u>3.0%</u> of outstanding shares of investee company	Sub-IC	Total holding of IndiaFirst Life Insurance up to <u>5.0%</u> of outstanding shares of investee company	IC
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<sup>3</sup> Deleted in the IC held in April 2020

Stewardship Principles as per IRDAI	Guidance as per IRDAI	IndiaFirst Life Insurance Stewardship Policy	
		Total holding of IndiaFirst Life Insurance <u>more than 5.0%</u> total outstanding shares of investee company	Board (through IC)
		<ul style="list-style-type: none"> <li><b>Delegation of Limit Table – 1B: For unlisted equity instruments</b></li> </ul>	
		<b>Approval to be sought from</b>	
Total holding of IndiaFirst Life Insurance <u>up to 0.5%</u> of outstanding shares of investee company		Chief Investment Officer	
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Total holding of IndiaFirst Life Insurance <u>more than 3.0%</u> total outstanding shares of investee company		Board (through IC)	
		<ul style="list-style-type: none"> <li><b>Delegation of Limit Table – 1C: For debt instruments</b> Note: Total debt AUM includes money market exposures as well</li> </ul>	
		<b>Approval to be sought from</b>	
Total debt AUM of IndiaFirst Life Insurance <u>up to 1.0%</u> of total debt of investee company		Fund Manager	

Stewardship Principles as per IRDAI	Guidance as per IRDAI	IndiaFirst Life Insurance Stewardship Policy	
		Total debt AUM of IndiaFirst Life Insurance up to <u>2.5%</u> of total debt of investee company	Chief Investment Officer
		Total debt AUM of IndiaFirst Life Insurance up to <u>5%</u> of total debt of investee company	Sub-IC
		Total debt AUM of IndiaFirst Life Insurance up to <u>7.5%</u> of total debt of investee company	IC
		Total debt AUM of IndiaFirst Life Insurance <u>more than 7.5%</u> of total debt of investee company	Board (through IC)
		<p>1.4) Services from external institutional advisors may be availed on voting related matters. The views expressed by the external service providers are only advisory in nature and IndiaFirst Life Insurance shall not be bound to the opinions expressed by external service provider. The ultimate stewardship responsibility shall be discharged by IndiaFirst Life Insurance.<sup>4</sup></p>	
		<p>1.5) IndiaFirst Life Insurance will review its stewardship policy on an annual basis and recommend the revisions in the policy to Board for final approval and publicly disclose the revised policy as per the format prescribed by IRDAI.<sup>5</sup> Modification to the policy will also be disclosed at the time of updating the policy on website.</p>	

<sup>4</sup> Modified in the IC held in April 2020

<sup>5</sup> Added in the IC held in April 2020

<sup>6</sup> Added in the IC held in April 2021

Stewardship Principles as per IRDAI	Guidance as per IRDAI	IndiaFirst Life Insurance Stewardship Policy
<p>2: Insurers should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.</p>	<p>The stewardship policy put in place by the insurers should also cover the aspects of identifying and managing conflicts of interest with the aim of taking all reasonable steps to put the interests of their client or beneficiary first. The policy should identify scenarios of likely conflict of interest as envisaged by the Board and should also address how matters are handled when the interests of clients or beneficiaries diverge from each other.</p> <p>Aspects covered in the stewardship policy with regard to conflict of interest may, among other issues, address the following:</p> <ol style="list-style-type: none"> <li>1. Identifying possible situations where conflict of interest may arise. E.g. in case of investee companies being associates of the entity.</li> <li>2. Procedures put in place by the entity in case such conflicts of interest situations arise which may, inter alia, include: <ol style="list-style-type: none"> <li>a) Blanket bans on investments in certain cases.</li> <li>b) Referring such matters to Audit Committee.</li> <li>c) Clear segregation of voting function and client relations / sales functions.</li> </ol> </li> </ol>	<p><u>Governing Values:</u></p> <ul style="list-style-type: none"> <li>• Conflict of interest may arise where IndiaFirst Life Insurance has investments in any investee company and if the interest of policyholders' is hindered by other interests. <ol style="list-style-type: none"> <li>1) Shareholders and its affiliate Companies</li> <li>2) Common Directors between IndiaFirst Life Insurance Co. Ltd and Investee Cos.</li> <li>3) Investments held in any company falling under the definition of related party as defined in the Companies Act.</li> </ol> </li> </ul> <p><u>Stewardship Approach:</u></p> <ol style="list-style-type: none"> <li>2.1) IndiaFirst Life Insurance promoted by Bank of Baroda and Union Bank of India<sup>7</sup> conducts business in ordinary Course of Business and at arm's length with its promoters. Any investment dealings with promoter group companies/subsidiaries/related party and not in the IndiaFirst Life Insurance investment policy requires IC approval. <sup>8</sup></li> <li>2.2) Situations where conflict of interest arises will be considered and reviewed in a manner which is not detrimental to the interest of policyholders. Instances of conflict (such as any resolution/agenda in the AGM/EGM where such investee company is the client of IndiaFirst Life</li> </ol>

<sup>7</sup> Modified in the IC held in April 2020

<sup>8</sup> Modified in the IC held in April 2020

<sup>9</sup> Deleted in the IC held in April 2020

Stewardship Principles as per IRDAI	Guidance as per IRDAI	IndiaFirst Life Insurance Stewardship Policy																		
	<p>d) Policy for persons to recuse from decision making in case of the person having any actual / potential conflict of interest in the transaction. e.g. Maintenance of records of minutes of decisions taken to address such conflict.</p>	<p>Insurance), will be highlighted/escalated for discussion and approval as per the delegation of limit table stated below for remediation:</p> <ul style="list-style-type: none"> <li> <b>Delegation of Limit Table – 2A: For equity instruments</b> <table border="1" data-bbox="1252 427 2119 930"> <thead> <tr> <th></th> <th>Approval to be sought from</th> </tr> </thead> <tbody> <tr> <td>Total holding of IndiaFirst Life Insurance up to <u>0.5%</u> of outstanding shares of investee company</td> <td>Chief Investment Officer</td> </tr> <tr> <td>Total holding of IndiaFirst Life Insurance up to <u>1.0%</u> of outstanding shares of investee company</td> <td>Sub-IC</td> </tr> <tr> <td>Total holding of IndiaFirst Life Insurance up to <u>3.0%</u> of outstanding shares of investee company</td> <td>IC</td> </tr> <tr> <td>Total holding of IndiaFirst Life Insurance <u>more than 3.0%</u> total outstanding shares of investee company</td> <td>Board (through IC)</td> </tr> </tbody> </table> </li> <li> <b>Delegation of Limit Table – 2B: For debt instruments</b>            Note: Total debt includes money market exposures as well           <table border="1" data-bbox="1252 1046 2119 1332"> <thead> <tr> <th></th> <th>Approval to be sought from</th> </tr> </thead> <tbody> <tr> <td>Total debt AUM of IndiaFirst Life Insurance up to <u>1.0%</u> of total debt of investee company</td> <td>Chief Investment Officer</td> </tr> <tr> <td>Total debt AUM of IndiaFirst Life Insurance up to <u>2.5%</u> of total debt of investee company</td> <td>Sub-IC</td> </tr> <tr> <td>Total debt AUM of IndiaFirst Life Insurance up to <u>5.0%</u> of total debt of investee company</td> <td>IC</td> </tr> </tbody> </table> </li> </ul>		Approval to be sought from	Total holding of IndiaFirst Life Insurance up to <u>0.5%</u> of outstanding shares of investee company	Chief Investment Officer	Total holding of IndiaFirst Life Insurance up to <u>1.0%</u> of outstanding shares of investee company	Sub-IC	Total holding of IndiaFirst Life Insurance up to <u>3.0%</u> of outstanding shares of investee company	IC	Total holding of IndiaFirst Life Insurance <u>more than 3.0%</u> total outstanding shares of investee company	Board (through IC)		Approval to be sought from	Total debt AUM of IndiaFirst Life Insurance up to <u>1.0%</u> of total debt of investee company	Chief Investment Officer	Total debt AUM of IndiaFirst Life Insurance up to <u>2.5%</u> of total debt of investee company	Sub-IC	Total debt AUM of IndiaFirst Life Insurance up to <u>5.0%</u> of total debt of investee company	IC
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3: Insurers should monitor their investee companies	<p>Insurers should have mechanisms for regular monitoring of their investee companies in respect of their performance, leadership effectiveness, succession planning, corporate governance, reporting and other parameters they consider important.</p> <p>Insurers may or may not wish to have more participation through nominations on the Board for active involvement with the investee companies. An insurer who may be willing to have nominations on the Board of an investee company should indicate in its stewardship statement</p>	<p><u>Governing Values:</u></p> <ul style="list-style-type: none"> <li>Active monitoring of investee or potential investment opportunity is an essential part and a continuous process of fund management.</li> </ul> <p><sup>11</sup><u>Stewardship Approach:</u></p> <p>3.1) IndiaFirst Life Insurance shall monitor all its investee companies.<sup>12</sup></p> <p>3.2) Mechanism for monitoring <sup>13</sup>: -</p> <p>a) Based on the existing investment policy and processes, IndiaFirst Life Insurance’s investment team regularly monitors various parameters</p>			

<sup>10</sup> Added in the IC held in April 2020

<sup>11</sup> Added in the IC held in April 2020

<sup>12</sup> Modified in the IC held in April 2020

<sup>13</sup> Added in the IC held in April 2020

<sup>14</sup> Modified in the IC held in April 2020

Stewardship Principles as per IRDAI	Guidance as per IRDAI	IndiaFirst Life Insurance Stewardship Policy
	<p>the willingness to do so, and the mechanism by which this could be done.</p> <p>Aspects covered in the stewardship policy with regard to monitoring shall address the following:</p> <p>1) Different levels of monitoring in different investee companies. E.g. companies where larger investments are made may involve higher levels of monitoring vis-a-vis companies where amount invested is insignificant from the point of view of its assets under management (AUM).</p> <p>2) Areas of monitoring which shall, inter-alia, include:</p> <ul style="list-style-type: none"> <li>a) Company strategy and performance - operational and financial.</li> <li>b) Industry level monitoring and possible impact on the investee companies.</li> <li>c) Quality of company management and Board, leadership.</li> <li>d) Corporate governance including remuneration, structure of the Board (including Board diversity and independent directors) and related party transactions.</li> <li>e) Risks including Environmental, Social and Governance (ESG) risks.</li> <li>f) Shareholder rights and their grievances.</li> </ul>	<p>(including but not limited to business strategy, performance, risk, capital structure, culture, leadership effectiveness, remuneration, succession planning, corporate governance, reporting) with a view to protect policyholders' interest using publicly available information.</p> <p>b) IndiaFirst Life Insurance Investment team shall hold/attend meetings/conference calls with the management of investee companies to remain updated with company's performance and developments. Apart from meetings, several data from publicly available sources is reviewed and analysed including but not limited to the following:</p> <ul style="list-style-type: none"> <li>1. Regularly review company filings</li> <li>2. Review all other publicly available information</li> <li>3. Attend public meetings such as Annual General Meetings/Analyst meets/or any other meetings held by companies as and when considered necessary</li> <li>4. Utilise research provided by market participants.</li> <li>5. Participate in industry session, conferences etc.</li> </ul> <p>c) IndiaFirst Life Insurance shall have different levels of monitoring in investee companies. Delegation of Limit Table as mentioned in Principle 1 will be referred to wherever necessary.</p> <p>3.3) IndiaFirst Life Insurance shall only rely on publicly available information while dealing with the investee company. IndiaFirst Life Insurance shall ensure compliance with the SEBI (Prohibition on Insider Trading) Regulations, 2015 while engaging/dealing with the investee company.<sup>14</sup></p>

<sup>15</sup> Added in the IC held in April 2020

Stewardship Principles as per IRDAI	Guidance as per IRDAI	IndiaFirst Life Insurance Stewardship Policy
	<p>3) Identification of situations which may trigger communication of insider information and the procedures adopted to ensure SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended time to time are complied with in such cases.</p>	<p>3.4) The investment team records their discussion in an appropriate manner depending on issues discussed and significance of the meeting. Stock/event update is generated at regular intervals and circulated to Sub-IC members.<sup>15 16</sup></p> <p>3.5) Nominations on the board of listed/unlisted companies is normally never done by MFs/Insurance companies in normal course of business as it involves access to insider information and there could be conflict of interest. However, in exceptional circumstances, it will be considered through IC approval if required.</p>
<p>4: Insurers should have a clear policy on intervention in their investee companies</p>	<p>Insurers may decide their own engagement strategy and the stewardship policy should clearly set out the criteria/circumstances in which they will actively intervene. The policy should provide for regular assessment of the outcomes of intervention by the insurer. Intervention should be considered regardless of whether an active or a passive investment policy is followed. Circumstances for intervention may, inter alia, include but not limited to, poor financial performance of the company, corporate governance related practices, remuneration, strategy, Environmental, Social and Governance (ESG) risks, leadership issues and litigations.</p> <p>The mechanisms for intervention may include meetings /discussions with the management for constructive</p>	<p><u>Governing Values:</u></p> <ul style="list-style-type: none"> <li>Investments are primarily done in listed companies after careful consideration of all publicly available information and not based on insider information. Hence, any intervention will be considered based on facts from publicly available sources subject to various statutory regulations governing these activities.</li> </ul> <p><sup>17</sup><u>Stewardship Approach:</u></p> <p>4.1) IndiaFirst Life Insurance investment team regularly holds/attends meetings/conference calls with the management of companies to remain updated with company's performance and developments. Any observation(s) of grave nature which may potentially jeopardise the</p>

<sup>16</sup> Deleted in the IC held in April 2020

<sup>17</sup> Deleted in the IC held in April 2020

<sup>18</sup> Modified in the IC held in April 2020

Stewardship Principles as per IRDAI	Guidance as per IRDAI	IndiaFirst Life Insurance Stewardship Policy
	<p>resolution of the issue and in case of escalation thereof, meetings with the Boards, collaboration with other investors and voting against decisions. Various levels of intervention and circumstances in Which escalation is required may be identified and disclosed in the stewardship policy. This may also include interaction with the companies through the insurance councils in case of any industry level issues. Investment Committee of the insurer has to consider which mechanism to be opted and escalation of matters in specified cases.</p>	<p>interest of policyholders are taken seriously for discussion with higher authorities of investee companies as well as internally.<sup>18</sup></p> <p>4.2) Any interventionist action will be taken on case-by-case basis entirely on its own merits and ensuring it is in the best interest of the policyholders'. Thus, a generalised checklist mentioning criteria/circumstances for how and when any escalation &amp; intervention would take place is not defined as it will not do full justice to investee companies and policyholders'. However, in such circumstances, IndiaFirst Life Insurance may also seek opinions and recommendations from external service provider on voting resolution/agenda in the AGM/EGM of an investee company and may put up for discussion to the Sub-IC for its direction.</p>
<p>5: Insurers should have a clear policy for collaboration with other institutional investors, where required, to preserve the interests of the policyholders (ultimate investors) which should be disclosed.</p>	<p>For issues that require larger engagement with the investee company/ insurers may choose to act collectively with other institutional investors in order to safeguard the interests of their investors. In such situations, the stewardship policy should guide their actions and extent of engagement.</p> <p>For issues that require larger engagement with the investee company, insurers may choose to act collectively with other institutional investors in order to safeguard the interest of their investors. For such situations, the insurers should have a policy to guide their actions and extent of engagement.</p>	<p><u>Governing Values:</u></p> <ul style="list-style-type: none"> <li>▪ Any collaborative activities undertaken by IndiaFirst Life Insurance would always be in the best interests of policyholders' subject to statutory regulations governing these activities.</li> </ul> <p><sup>19</sup><u>Stewardship Approach:</u></p> <p>5.1) Any collective engagement with other stakeholders will be considered (based on individual situations) if deemed appropriate by the IC. Some of these collaborative activities are being routed through Life Council.<sup>20</sup></p>

<sup>19</sup> Deleted in the IC held in April 2020

<sup>20</sup> Modified in the IC held in April 2020

<sup>21</sup> Deleted in the IC held in April 2020

Stewardship Principles as per IRDAI	Guidance as per IRDAI	IndiaFirst Life Insurance Stewardship Policy
		5.2) Any collaborative activities shall be routed through Life Council who in turn could collaborate with other Insurance companies/AMFI and other institutional shareholders if required. However, as each collaborative engagement will be dealt on case-by-case basis and is not an automatic exercise, IndiaFirst Life Insurance does not prefer setting any definitive policy to monitor actions and extent of engagement – Delegation of Limit Table – 2A in case of equity and Delegation of Limit Table – 2B in case of debt as mentioned in Principle 2 will be referred to where ever necessary.
6: Insurers should have a clear policy on voting and disclosure of voting activity	<p>Insurers should exercise their own independent judgment as regards voting decisions on resolutions and should not automatically support the proposals of the Board of the investee company. The decisions should be aimed at promoting the overall growth of the investee companies and, in turn, enhance the value of their investors.</p> <p>The stewardship policy should cover the aspects of voting activity. Audit Committee will monitor oversight on voting mechanism. Insurers should disclose their approach to stock lending and recalling lent stock in their stewardship policy.</p> <p>Insurers should mandatorily undertake active participation and voting on resolutions/proposals of the investee companies under the following circumstances:</p>	<p><u>Governing Values:</u></p> <ul style="list-style-type: none"> <li>▪ The underlying principles of voting is to support/object company's decisions that maximises value for policyholders.</li> </ul> <p><sup>21</sup><u>Stewardship Approach:</u></p> <p>6.1) In evaluation and due diligence process, information from various sources, including but not limited to, as highlighted in Principle 3 are considered. Voting is exercised in respect of proposals/ resolutions/ agendas affecting investment decision such as (but not limited to):</p> <ul style="list-style-type: none"> <li>➤ Merger, Demerger, Acquisition, hiving off division, takeover proposals</li> <li>➤ Diversification, expansion, incorporation of subsidiary company, related party transaction</li> <li>➤ Changes to capital structure</li> <li>➤ Preferred stock issuance, stock option plans, unreasonable bonuses and/or compensation to management</li> </ul>

<sup>22</sup> Modified in the IC held in April 2020

Stewardship Principles as per IRDAI	Guidance as per IRDAI	IndiaFirst Life Insurance Stewardship Policy						
	<table border="1" data-bbox="521 331 1184 600"> <tr> <td data-bbox="521 331 741 491">Size of the AUM of the Insurer (Rs. cr)</td> <td data-bbox="741 331 1184 491">Compulsory voting required, if the Insurer's holding of the paid-up capital of investee company (in percentage) is</td> </tr> <tr> <td data-bbox="521 491 741 547">Up to 2,50,000</td> <td data-bbox="741 491 1184 547">3% and above</td> </tr> <tr> <td data-bbox="521 547 741 600">Above 2,50,000</td> <td data-bbox="741 547 1184 600">5% and above</td> </tr> </table> <p data-bbox="521 667 1184 802">In other cases, insurers may voluntarily participate and vote if such resolutions/proposals are considered significant and may have an impact on the value of investments of the insurer.</p> <p data-bbox="521 874 1184 1153">Disclosures have to be made by the insurers regarding the voting activity in the investee companies in which the insurers have actively participated and voted on resolutions/proposals. The disclosures will form part of Public Disclosures on website and have to be made on quarterly basis as per the timelines prescribed for quarterly public disclosures on website, in the given format at Annexure A</p>	Size of the AUM of the Insurer (Rs. cr)	Compulsory voting required, if the Insurer's holding of the paid-up capital of investee company (in percentage) is	Up to 2,50,000	3% and above	Above 2,50,000	5% and above	<ul style="list-style-type: none"> <li>➤ Unusual high payments for key managerial personnel or for any other purpose or corporate social responsibility</li> <li>➤ Appointment and removal of directors.<sup>22</sup></li> </ul> <p data-bbox="1196 451 2130 659">6.2) IndiaFirst Life Insurance will be using services of external service provider. However, IndiaFirst Life Insurance investment team's voting decisions may not necessarily be in line with opinions and recommendations of external service providers if IndiaFirst Life Insurance considers such external recommendations are not in the best interest of the policyholders'</p> <p data-bbox="1196 699 2130 802">6.3) IndiaFirst Life Insurance may refrain from voting on certain occasions which are regular in nature and does not pose any loss to the interest of policyholders' such as: -</p> <ol style="list-style-type: none"> <li>1) Adoption of Accounts</li> <li>2) Appointment of directors or Re-appointment of Directors who retire by rotation</li> <li>3) Appointment / Ratification of Statutory Auditors</li> <li>4) Declaration of Dividend</li> </ol> <p data-bbox="1196 1050 2130 1121">6.4) IndiaFirst Life Insurance shall compulsory vote on resolutions/proposals of investee companies under the following circumstances: - <sup>23</sup></p>
Size of the AUM of the Insurer (Rs. cr)	Compulsory voting required, if the Insurer's holding of the paid-up capital of investee company (in percentage) is							
Up to 2,50,000	3% and above							
Above 2,50,000	5% and above							

<sup>23</sup> Deleted in the IC held in April 2020

<sup>24</sup> Added in the IC held in April 2020

Stewardship Principles as per IRDAI	Guidance as per IRDAI	IndiaFirst Life Insurance Stewardship Policy	
		<b>For Equity Instruments</b>	Total equity holding of IndiaFirst Life Insurance is <u>3.0% or above</u> of the outstanding shares of investee company.
		<b>For Debt Instruments</b>	Total debt holding of IndiaFirst Life Insurance is <u>3.0% or above</u> of the total debt of investee company.
		<p>6.5) The Audit committee of IndiaFirst Life Insurance will monitor oversight on voting mechanism. <sup>24</sup></p> <p>6.6) IndiaFirst Life Insurance will record the rationale supporting its voting decision.<sup>25</sup></p> <p>6.7) IndiaFirst Life Insurance investment policy allows stock lending as per IRDAI guidelines. IndiaFirst Life Insurance while lending securities shall comply with the Securities Lending and Borrowing (SLB) framework laid out by IRDAI.<sup>26</sup></p> <p>6.8) IndiaFirst Life Insurance will publicly disclose its voting activity on a quarterly basis as per the format prescribed by IRDAI.<sup>27 28</sup></p>	
7: Insurers should report periodically on their stewardship activities	In addition to the regular fulfillment of their stewardship activities, insurers should also provide a periodic report to their ultimate beneficiaries (policyholders) of how they	IndiaFirst Life Insurance will record its decisions for all resolutions/agendas in its investee companies in a tabulated format. These voting records will be accessible on the website: <a href="http://www.indiafirstlife.com">www.indiafirstlife.com</a> . Any actions taken during	

<sup>25</sup> Added in the IC held in April 2020

<sup>26</sup> Added in the IC held in April 2020

<sup>27</sup> Modified in the IC held in April 2020

<sup>28</sup> Added in the IC held in April 2020

<sup>29</sup> Deleted in the IC held in April 2020, as (2.6) already address the on SLB (Stock Lending & Borrowing).

Stewardship Principles as per IRDAI	Guidance as per IRDAI	IndiaFirst Life Insurance Stewardship Policy
	have discharged their responsibilities, in a format which is easy to understand, as a part of public disclosures.	<p>the quarter would be uploaded within 45 days after quarter ends (i.e. June 30, September 30, December 31 and March 31).<sup>29</sup> Every disclosure made on the website related to the stewardship activities will be tabled in the IC.</p> <p>IndiaFirst Life Insurance will file a board approved report to IRDA on an Annual basis indicating the Compliance status with the Stewardship Principles in this policy as per the format prescribed by IRDAI.</p>

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<sup>30</sup> Deleted in the IC held in April 2020

<sup>31</sup> Added in the IC held in April 2021