



# Corporate Governance Policy

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## 1. Introduction

### 1.1 Background

SBI Life Insurance Company Limited ('SBI Life/ 'The Company'), is one of the most trusted life insurance companies in India, incorporated in October 2000 and registered with the Insurance Regulatory and Development Authority of India (IRDAI) in March 2001. Serving millions of families across India, SBI Life's diverse range of products caters to individuals as well as group customers through Protection, Pension, Savings and Health solutions.

The Corporate Governance philosophy of the Company is to comply with not only the statutory requirements but also to voluntarily formulate and adhere to a strong set of Corporate Governance practices which includes code of business conduct, corporate ethics, values, risk management, etc. Through governance mechanism, the Board along with its Committee discharge its fiduciary responsibilities towards all its stakeholders by ensuring transparency, accountability, fairness and independence in its decision making.

SBI Life's Corporate Governance Policy provides the framework under which the Board of Directors operate which includes Company's corporate structure, culture, policies & the manner in which it deals with various stakeholders, The Policy deal with the roles and responsibilities of the Board of Directors. The timely and accurate disclosure of information regarding the financial performance, board constitution, ownership of the Company, etc. is an important part of Corporate Governance framework.

This Policy is formulated in accordance with the applicable provision of Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and IRDAI Corporate Governance guidelines for insurers in India, 2016.

## OUR BRAND PURPOSE

Liberate individuals to pursue their dreams, by securing the needs & aspirations of their loved ones.

## OUR VALUES

- **Transparency** – We provide information which is clear & concise in addition to having simple processes which are effective and easy to understand.
- **Humility** – We are curious & open to learn from anyone & anywhere because we believe in introspection & continuous improvement.
- **Integrity** – We are honest, open, fair & will always follow sound ethical principles.
- **Innovation** – We bring new ideas to life with an intention to improve, customize & stay relevant.
- **Sustainability** – We shall work with selfless concern towards long-term well-being and welfare of our community.

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### **1.2 Objective:**

SBI Life, places emphasis on having a robust Corporate Governance by embedding values like transparency, humility, integrity, innovation and sustainability in the Company Structure. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values.

The Company believes in adopting and adhering to the best standards of Corporate Governance. The certain tenets of our Corporate Governance Philosophy are as under:

- Appropriate composition, size of the Board and commitment to adequately discharge its responsibilities and duties.
- Transparency and independence in the functions of the Board.
- Maximum disclosure of information to the Board and its Committees for focused and meaningful discussions in the meetings.
- Operating in a sound system of internal control and risk management with a thrust on integrity and accountability.
- Independent verification and assured integrity of financial reporting.
- Timely and adequate disclosure of all material information to all stakeholders.
- Compliance with applicable laws, rules, regulations & guidelines.
- Fair and equitable treatment of all its stakeholders including employees, vendors, policyholders and shareholders.

### **1.3 Applicability**

This Policy shall be applicable to the Company as a whole including its Board of Directors, Employees and various other Stakeholders.

### **1.4 Review and approval of the Policy**

The Policy will be reviewed by Board Audit Committee and will be recommended to the Board of Directors for approval, at least annually or as and when required.

The alterations if any, in the Policy shall be recommended by the Board Audit Committee to the Board of Directors for approval.

## **2. BOARD OF DIRECTORS**

The Board is responsible to act in the best interests of the Company and its shareholders. In discharging their duties, the Directors shall comply with the Code of Conduct as adopted by the Board. The role of the Board of Directors is that of trusteeship, to protect and to enhance the shareholder value through strategic direction to the Company. The Chairman is primarily responsible for ensuring that the Board provides effective governance to the Company and the responsibility of the Chief Executive Officer is to execute the corporate strategy in consultation with the Board.

The Directors should possess experience in diverse fields including Banking, Finance, Insurance, Human Resource, Information Technology, Marketing and Actuarial etc. The skill and knowledge of the Directors should prove to be of immense value to the Company. There should no inter-se relationship between the Directors.

The Directors are expected to attend and actively participate in Board Meetings and Meetings of Committees on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

The Board is responsible for overall compliance with the Corporate Governance Policy of the Company. It oversees and directs the management of the Company's business and affairs. In doing so, it must act honestly, in good faith and in the best interests of the Company.

## **2.1 COMMITTEES OF THE BOARD OF DIRECTORS**

- I. Board Audit Committee
- II. Board Investment Committee
- III. Board Risk Management Committee
- IV. Board Policyholder Protection Committee
- V. Board Nomination and Remuneration Committee
- VI. Board Corporate Social Responsibility Committee
- VII. Board With Profits Committee
- VIII. Board Stakeholders Relationship and Sustainability Committee

## **2.2 SUB COMMITTEES OF EXECUTIVES**

1. Corporate Social Responsibility Sub Committee
2. Investment Sub Committee
3. Risk Management Committee of Executives
4. Assets and Liability Committee
5. Product Management Committee
6. ESG Steering Committee

## **2.3 Composition of Board**

As per the Articles of Association of the Company, the maximum number of Directors which the Company can appoint is 15 excluding Alternate Director(s).

Pursuant to Article 147(i) of the Article of Association, State Bank of India has the right to nominate the Managing Director of the Company and the Chairman of the Company shall always be nominated by State Bank of India.

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The Company's Board shall have an optimum combination of Executive, Non-Executive and Independent Directors, and not less than fifty per cent of the Board of Directors shall comprise of Non-executive Directors, and should have at least one Independent Woman Director as required by the applicable laws/ rules and regulations.

### **2.4 Responsibilities of Board**

- I. The Board should ensure that the Governance principles set out are in compliance with all relevant laws, regulations and other applicable codes of conduct.
- II. The Board should formulate/review the various business policies in consultation with the Board committees /Management of the Company.
- III. The Board should define and set the following standards: -
  - a) Define the standards of business conduct and ethical behavior for directors and senior management;
  - b) Define the standards to be maintained in policyholder servicing and in redressal of grievances of policyholders.
- IV. The Board would be responsible to provide guidance for implementation of business strategy and review the same periodically.
- V. As an integral part of the proper implementation of the business strategy, the Board should act as under: -
  - a) Establish appropriate systems to regulate the risk appetite and risk profile of the Company. It will also enable identification and measurement of significant risks to which the company is exposed in order to develop an effective risk management system;
  - b) Ensure that all directions of IRDAI or any other regulatory authorities are being communicated to them and the recommendations, if any, are implemented in time bound manner;
  - c) Ensure that the IT systems in the company are appropriate and have built-in checks and balances to produce data with integrity and put in place a business continuity and disaster recovery plan;
  - d) Ensure that the company has put in place a robust compliance system for all applicable laws and regulations;
  - e) Prescribe requirements and frequency of reporting in respect of each of the above areas of responsibility as may be decided by the Board.
- VI. In the discharge of the above and other Governance functions, the Board may delegate the responsibilities to mandated/ other recommended Empowered Committees of Directors while retaining its primary accountability.

- VII. In addition to the above, the Board shall also be responsible for matters prescribed under various regulations/ guidelines, etc. including listing regulations, Companies Act 2013 and rules made thereunder and IRDAI Guideline on Corporate Governance.
- VIII. Board should ensure that the Company is compliant with its directions and all statutory provisions and regulations framed there under through:
- a) A system of internal controls and audit in respect of all aspects of the business activities and accounts, including financial, operational and compliance controls and such systems should be annually reviewed by the Management for their effectiveness.
  - b) The Internal Audit function should perform in an objective, independent and risk-oriented manner, with timely reporting to the Board through Board Audit Committee.
- IX. The Board is also responsible for Review of the Compliance Certificates along with the Compliance Report of various laws, Regulations and applicable codes submitted by concerned Functional Heads on Quarterly basis. The Board shall abide by section 166 of the Companies Act, 2013 and regulation 4 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Formulation, adoption and review of the various policies prescribed by various Statutory Authorities from time to time.
  - Setting Standards of Business Conduct and Ethical Behavior for the Board of Directors and Senior Management.
  - Setting Standards of Servicing to Policyholders and their grievance redressal mechanism.
  - Providing strategic guidance for implementation of business policy and Structure for Management Information System for review and taking corrective actions.
  - Reviewing and regulating the risk profile of the Company through the effective Risk Management System.
  - Reviewing all the Regulatory and supervisory directions submitted to it from time to time.
  - Assessing the performance of Sr. Management
  - Formulating the Roles and Responsibilities of Appointed Actuary and degree of involvement in the product designing, pricing and determination of liabilities.
  - Reviewing the Reports on integrity and appropriateness of the IT system of the Company.
  - Forming various Committees of Board for discharging its various duties while retaining its primary accountability.
  - Setting up a sound system of internal controls and audit including Financial, operational and Compliance controls and annual review of such systems for their effectiveness.
  - Ensuring that all material developments of the Company are disclosed to the public on a timely basis in accordance with the Listing Regulations.



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- Formulating Compensation strategy and employee benefit schemes.
- Formulate investment strategies for the investment of the funds.
- Review the functioning of Whistle Blower Mechanism across the Company on periodical basis.
- Take help of independent outside consultants/advisors, whenever required.
- To delegate the powers to Board committees for ensuring Compliance.

### 2.5 Independent Director:

"Independent Director" means a Non-executive Director, other than a Nominee Director of the listed entity:

- i. who, in the opinion of the board of directors, is a person of integrity and possesses relevant expertise and experience;
- ii. who is or was not a promoter of the listed entity or its holding, subsidiary or associate company or member of the promoter group of the listed entity;
- iii. who is not related to promoters or directors in the listed entity, its holding, subsidiary or associate company;
- iv. who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- v. none of whose relatives
  - A. is holding securities of or interest in the listed entity, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value in excess of fifty lakh rupees or two percent of the paid-up capital of the listed entity, its holding, subsidiary or associate company, respectively, or such higher sum as may be specified
  - B. is indebted to the listed entity, its holding, subsidiary or associate company or their promoters or directors, in excess of such amount as may be specified during the three immediately preceding financial years or during the current financial year;
  - C. has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for such amount as may be specified during the three immediately preceding financial years or during the current financial year; or
  - D. has any other pecuniary transaction or relationship with the listed entity, its holding, subsidiary or associate company amounting to two percent or more of its gross turnover or total income: Provided that the pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company or their promoters, or directors in relation to points (A) to (D) above shall not exceed two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified from time to time, whichever is lower.

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- vi. who, neither himself, nor whose relative(s) —
  - A. holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company or any Company belonging to the Promoter group of the Listed entity in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - B. Provided that in case of a relative, who is an employee other than key managerial personnel, the restriction under this clause shall not apply for his / her employment, is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
    - 1. a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or
    - 2. any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - C. holds together with his/ her relatives two per cent or more of the total voting power of the listed entity; or
  - D. is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts or corpus from the listed entity, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the listed entity;
  - E. is a material supplier, service provider or customer or a lessor or lessee of the listed entity;
- vii. who is not less than 21 years of age.
- viii. who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.
- ix. All Independent Directors are required to confirm that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and the Listing Regulations.
- x. The Independent Directors are also required to confirm that their names have been added in the Data Bank maintained by the Indian Institute of Corporate Affairs (IICA).

## 2.6 Appointment of Directors:

The Nomination & Remuneration Committee will recommend the appointment of Board Members in accordance with Board Diversity Policy. The invitation to join the Board is extended on behalf of the Board by the Chairman of the Board. The new Director shall be apprised of the working of the Company and various Codes of Conduct adopted by the Company in its functioning. The Director will execute the Deed of Covenant post his/ her appointment. The appointment of Managing Director & CEO requires prior approval of IRDAI.

### 2.6.1 Qualification and Criteria for Appointment of Directors;

In accordance with the provisions of section 178 of the Companies Act, 2013 and Listing Regulations, the Board Nomination & Remuneration Committee shall identify and ascertain the

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integrity, qualification, expertise and experience of the person for appointment as Director and recommend to the Board his/ her appointment.

In evaluating the suitability of individual as Board members, the Board Nomination & Remuneration Committee may consider factors, such as:

- ✓ General understanding of the Company's business dynamics, global business and social perspective;
- ✓ Educational and professional background;
- ✓ Skills, expertise and competences;
- ✓ Standing in the profession;
- ✓ Personal and professional ethics, integrity and values;
- ✓ Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

The proposed appointee shall also fulfill the following requirements:

- ✓ Shall possess a Director Identification Number or any other identification number prescribed by the Central Government which shall be treated as Director Identification Number for the purposes of the Companies Act, 2013;
- ✓ Shall not be disqualified under the Act, or pursuant to any order of Securities and Exchange Board of India or any other such regulatory authority;
- ✓ Shall give his written consent to act as a Director;
- ✓ Shall endeavor to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- ✓ Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- ✓ Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the board in which he participates as a director and thereafter at the first meeting of the Board in every financial year and whenever there is a change in the disclosures already made;
- ✓ Shall abide by the provisions of Section 166 of the Companies Act, 2013, which lays down the duties of Directors.
- ✓ In accordance with guidelines for Corporate Governance issued by IRDAI, the Directors of Insurers are required to meet the 'Fit & Proper' criteria.
- ✓ Such other requirements as may be prescribed, from time to time, under the Act, Listing Regulations and other relevant laws.

### 2.6.2 Criteria for Independence

- The Board Nomination and Remuneration Committee shall assess the independence of Directors at the time of appointment/ re-appointment and the Board shall assess the same

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annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

- The criteria of independence shall be, as laid down in Act, Listing Regulations, Corporate Governance guidelines issued by IRDAI and other relevant laws, if any, as amended from time to time.
- The Independent Directors shall abide by the “Code for Independent Directors” as specified in Schedule IV of the Act.

### 2.6.3 Tenure of Director(s)

The tenure of Executive Directors shall not exceed a period of 5 years or as may be decided in line with the regulatory requirements on each occasion. Subject to the Board’s decision or any Shareholders’ resolution, an Independent Director shall be eligible to hold office for a term of five consecutive years on the Board of the Company.

Further, he/she shall be eligible for re-appointment for a further term of five consecutive years on passing of a special resolution by the Company.

### 2.6.4 Compensation/ Sitting fees:

#### a. Executive Directors:

Executive Directors shall be paid remuneration within the limits as approved by the Board, the shareholders of the Company as well as the IRDAI. As a Company policy, no sitting fees are payable to Executive Directors for attending Board / Committee meetings.

#### b. Non-Executive/ Independent Directors:

Independent Directors are paid sitting fees for attending the Board and Committee Meetings. The sitting fees to be paid shall be within limits prescribed under the Companies Act, 2013 and the Rules made there under as also other applicable regulations issued by the IRDAI from time to time, Listing Regulations and further as decided by the Board.

All Remuneration/ compensation paid to Non-Executive/ Independent Directors, including Commission, if any, shall be decided by the Board of Directors, and shall be approved by shareholders in general meeting, as may be applicable or required. All the details relating to the compensation so paid shall also be disclosed in the Annual Report of the Company.

No sitting fees are payable to Non-Executive Nominee Directors appointed by State Bank of India for attending Board / Committee meetings.

An Independent Director shall not be entitled to stock options, and/ or be entitled to any remuneration other than sitting fee, reimbursement of expenses for participation in the Board or

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Committee meetings and profit related commission, as approved by the Shareholders', as may be required.

### **2.6.5 Board Meetings**

Board Meetings of the Company shall be held at least four times a year, once every quarter and not more than one hundred and twenty days shall elapse between two successive meetings. The Quorum for the meetings of the Board shall be as per the Articles of Association of the Company. The meetings of the Board will be normally held at the Company's registered office or through video conferencing, if permitted, unless otherwise decided by the Board of Directors.

### **2.6.6 Agenda for the Board & Committee Meetings**

The agenda for the Board Meetings along with information relevant to the agenda shall be sent in writing or electronically to the Directors at least 7 days before the Meeting. Each Board member is free to suggest the inclusion of items on the agenda. With the permission of the Chair, each Board member is also free to raise, at any Board Meeting, matters that are not on the agenda. However, with reference to any sensitive matter on the agenda, relevant information shall be made available only at the time of the Board Meeting. The Board and its Committees may conduct agenda matters through electronic documents on iPad through a software specific to conducting Board Meetings.

### **2.6.7 Attendance at Board Meetings**

The Board Meetings shall be attended by the Directors and on invitation of the Board by executives of the Company and / or external experts who can provide an insight into the agenda items being discussed. All the Executive as well as Non- Executive Directors shall endeavor to attend all meetings of the Board.

In case a Director cannot attend a specific Board Meeting, he or she shall obtain leave of absence from the Board. However, if a Director absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board, the office of such director shall become vacant.

The quorum for the meetings of the Board shall be one-third of its total strength or three directors, whichever is higher; including at least one Independent Director present at such meeting. In the event the Chairman is not present for the meeting, then the Chairman for such meeting shall be chosen from amongst the Directors' present.

### **2.6.8 Minutes of the Board & Committee Meeting**

The minutes of all meetings of the Board & Committee shall be circulated as soon as possible to the members of the Board from the date of the Board meeting to the Directors and shall be

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confirmed in the next Board Meeting. The Company will be guided by Section 118 of the Companies Act, 2013 and rules there under.

### **3. Key Management Personnel**

#### **3.1 Key Managerial Personnel as per Companies Act, 2013**

Pursuant to the provisions of the Companies Act, 2013, the Company, shall have the following whole-time Key Managerial Personnel –

- (i) Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;
- (ii) Chief Financial Officer; and
- (iii) Company Secretary

#### **3.2 Key Management Person as per IRDAI Corporate Governance Guidelines**

Pursuant to the IRDAI Corporate Governance Guidelines, 2016 the Company has following Key Management Person –

- i. Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-Time Director(s);
- ii. Deputy Chief Executive Officer;
- iii. Functional Heads one level below Managing Director/ Chief Executive Officer;
- iv. President – Operations & Information Technology
- v. President – Business Strategy
- vi. President – Marketing (Zone 1, Zone 2 and Zone 3)
- vii. Chief Financial Officer;
- viii. Appointed Actuary;
- ix. Chief Investment Officer;
- x. Chief Risk Officer;
- xi. Chief Audit Officer;
- xii. EVP & Chief of Human Resource and Management Services
- xiii. Chief of Brand and CSR
- xiv. Compliance Officer; and
- xv. Company Secretary.

### **4. Board Committees**

The details of Board Committees of the Company are as follows and the terms of reference of these are enclosed as Annexure to the Policy:

## **A. Board Audit Committee**

### **• Role**

The Company shall set up an Audit Committee in compliance with the provisions of Companies Act, 2013, Listing Regulations and IRDAI Corporate Governance guidelines for insurers in India, 2016.

The primary function of the Audit Committee shall be to assist the board in matters relating to applicable legal requirements with respect to independence, financial literacy, accounting or related financial expertise etc. The management of the Company has the overall responsibility to prepare financial statements in accordance with generally accepted accounting principles and any applicable regulations. The Company's Independent Auditors have the responsibility to audit these financial statements. The Audit Committee's responsibility is one of overseeing the correct preparation and provision of financial information as well as to oversee financial reporting, statement of cash flow and disclosure processes both on an annual and quarterly basis. It shall set-up procedures and processes to address all concerns relating to adequacy of checks and control mechanisms. However, the Audit Committee has no obligation to provide any expert or other special assurance as to the Company's financial statements.

### **• Membership**

The members of the Audit Committee are appointed by the Board of Directors. The Audit Committee shall consist of a minimum of three directors with two-thirds of the members shall be Independent Directors. The Chairman of the Committee shall be an Independent Director and should ideally be a professional Chartered Accountant or a person with strong financial background. The Chairman shall remain present at the Annual General Meeting to respond to shareholder queries. Without prejudice to the powers of Board or members of Committee or appointment / removal of the members of the Committee or designating any invitees to the Committee, the CEO/ Managing Directors / Executive Director shall attend the Audit Committee meeting as an Invitee, for the purpose of providing any information or any clarification in relation to audit findings.

### **• Operations**

The Audit Committee Meeting shall be attended by;

- The members of the Audit Committee
- Statutory auditors/ Internal Auditors / Concurrent Auditors
- Company Secretary to act as the Secretary to the Committee
- Such other invitees at the discretion of the Chairman of the Committee

The meetings of the Audit Committee shall at least be held four times a year, usually preceding the Board Meeting and not more than one hundred and twenty days shall elapse between two

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successive meetings. The quorum shall be either two members or one third of the members of the Committee whichever is greater, with presence of at least two Independent Directors. The quarterly financial statements shall be reviewed by the Committee before placing the same before the Board. In addition to its members, the Committee may at its discretion require the attendance of senior management of the Company at its meetings. The Committee would be free to meet without the presence of any or all of such invitees if it so desires. The Company Secretary will maintain minutes of the meetings of the Audit & Risk Committee. The meetings can also be conducted vide tele-conference/ video-conference, where permitted by applicable regulations or as required otherwise.

- **Reporting**

The Audit Committee shall report to the Board of Directors of the Company. The Committee shall report its actions and any recommendations to the Board after each Committee meeting which will include through placing of its minutes of the meetings.

### **B. Board Investment Committee**

- **Role**

The Investment Committee shall be set-up in compliance with the provisions of the IRDA (Investment) Regulations, 2000. The primary function of the Investment Committee is to formulate the investment policy and strategies for the investment of the policyholder and shareholder funds in accordance with the limits prescribed in the regulations.

- **Membership**

The Investment Committee shall consist of a minimum of two non- executive directors, the Chief Executive Officer, the Principal Officer, Chiefs of Finance, and Investment divisions, Chief Risk Officer and the Appointed Actuary. The Company Secretary shall act as Secretary to this Committee. Composition of the Committee will be as per applicable IRDAI Regulations from time to time.

- **Operations**

The members of the Investment Committee shall meet at least once in a quarter and not more than four months shall elapse between two successive meetings. The quorum shall be either two members or one third of the members of the Committee whichever is greater. The decisions taken by the Investment Committee shall be properly recorded and be open to inspection by the officers of the Authority. The meetings can also be conducted vide teleconference/video conference.



- **Reporting**

The Investment Committee shall report to the Board of Directors of the Company. The Committee shall report its actions and any recommendations to the Board after each Committee meeting which will include through placing of its minutes of the meetings.

**C. Board Risk Management Committee**

- **Role**

Risk Management Committee shall be under the chairmanship of a Non-Executive Director. The primary function of the Committee is to assist the Board of Directors in setting up a risk management strategy. The risk management function shall be under the overall guidance and supervision of the Chief Risk Officer.

- **Membership**

The Risk Management Committee shall consist of two or more Non-Executive Directors however the majority of members of the committee shall consist of members of Board of Directors. The Company Secretary shall act as Secretary to this Committee.

- **Operations**

The members of the Risk Management Committee shall meet at least once in a quarter and not more than four months shall elapse between two successive meetings. The quorum shall be either two members or one third of the members of the Committee whichever is greater. Minutes of every meeting shall be maintained.

- **Reporting**

The Risk Management Committee shall report to the Board of Directors of the Company. The Committee shall report its actions and any recommendations to the Board after each Committee meeting which will include through placing of its minutes of the meetings.

**D. Board Policyholder Protection Committee**

- **Role**

Policyholder Protection Committee shall be under the Chairmanship of a Non-Executive Director. The primary function of the Committee is to assist the Board of Directors in putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders.

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- **Membership**

The Policyholder Protection Committee shall consist of two or more Non-Executive Directors and shall include an Insurance expert/ representative of customers as an Invitee. The Company Secretary shall act as Secretary to this Committee.

- **Operations**

The members of Policyholder Protection Committee shall meet at least once in a quarter and not more than four months shall elapse between two successive meetings. The quorum shall be either two members or one third of the members of the Committee whichever is greater. Minutes of every meeting shall be maintained.

- **Reporting**

The Policyholder Protection Committee shall report to the Board of Directors of the Company. The Committee shall report its actions and any recommendations to the Board after each Committee meeting which will include through placing of its minutes of the meetings.

### **E. Board Nomination & Remuneration Committee**

- **Role**

The Nomination & Remuneration Committee shall be under the Chairmanship Independent Director. The function of the Nomination & Remuneration Committee is to perform the duties as mentioned below in the “Terms of Reference”, including but not limited to determining and making recommendations with respect to all forms of compensation to be granted to Directors and senior management employees of the Company.

- **Membership of the Committee**

The Committee shall consist of at least three Non-executive Directors, out of which not less than one half shall be independent directors and all the Directors of the Committee shall be Non-executive Directors. The Chairman of the Committee shall be an Independent Director. The Chairperson of the Company, whether Executive or Non-executive, may be appointed as a member of the Nomination and Remuneration Committee and shall not chair such Committee. The Company Secretary will act as Secretary to the Committee. The Chairman of the Committee shall be present at the Annual General Meeting, to answer the shareholder queries.

- **Operations**

The Committee shall meet as frequently as required to perform its functions provided that there shall be at least two meetings. The Committee shall review the succession planning process of

## **Corporate Governance Policy**

the Company at such meetings and would also meet some of the key senior management personnel during the meeting.

The Chairman of the Committee shall determine, in consultation with the Committee Members, the agenda for various meetings of the Committee, generally within the ambit of the terms of reference mentioned in this Charter.

The quorum for the meetings of the Committee shall be two Members of the Committee or one-third of the Members of the Committee, whichever is higher, including one Independent Director. Resolutions of the Committee may also be passed by a resolution by circulation signed by a majority of the Committee Members, including an Independent Director. Minutes of every meeting shall be maintained.

- **Reporting**

The Nomination & Remuneration Committee shall report to the Board of Directors of the Company. The Committee shall report its actions and any recommendations to the Board after each Committee meeting, which will include through the placing of its signed minutes before the Board of Directors.

## **F. Board Stakeholders' Relationship Committee**

- **Role**

The Company shall set-up a Stakeholders Relationship Committee. The primary function of the Stakeholders Relationship Committee is to approve the allotment of shares of the Company and transfer of shares between the shareholders as well as to resolve the grievances of security holders of the Company.

- **Membership**

The Stakeholders Relationship Committee shall consist of at least 3 or more Directors with at least one being Independent Director. The Chairman of the Committee shall be Non-Executive Director. The Company Secretary shall act as Secretary to this Committee.

- **Operations**

The Chairman shall call the Committee meeting as and when required however the Committee shall meet at least once in a year. Minutes of every meeting will be maintained. The quorum of the meetings shall be one third of the total strength or two Directors whichever is higher. The meetings can also be conducted vide teleconference/ video conference.

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- **Reporting**

The Stakeholders Relationship Committee shall report to the Board of Directors of the Company. The Committee shall report its actions and any recommendations to the Board after each Committee meeting which will include through placing of its minutes of the meetings.

### **G. Board Corporate Social Responsibility Committee**

- **Role**

The Corporate Social Responsibility Committee shall be set up in compliance with the provisions of section 135 of the Companies Act, 2013 and Corporate Social Responsibility Policy Rules, 2014. The primary function of the Corporate Social Responsibility Committee is to formulate and recommend to the Board the CSR Policy of the Company. It also assists in putting the annual CSR plan and monitoring the CSR activities and recommending it to the Board.

- **Membership**

The Committee shall consist of at least three Directors out of which at least one shall be independent provided that the composition of the Committee shall be in line with the requirements prescribed under the Companies Act, 2013. The Chairman of the Committee shall be a Non-Executive Director. The Company Secretary shall act as Secretary to this Committee.

- **Operations**

The quorum of the meetings shall be one third of the total strength or two Directors whichever is more. The presence of atleast one Independent Director shall be necessary to form the Quorum. The meetings can also be conducted vide teleconference/ video conference.

- **Reporting**

The Committee shall report to the Board of Directors of the Company. The Committee shall report its actions and any recommendations to the Board after each Committee meeting which will include through placing of minutes of its meetings.

### **H. Board With Profits Committee**

- **Role**

The Board With Profits Committee is constituted pursuant to IRDAI (Non-Linked Insurance Products) Regulations, 2019. The primary function of the With Profits Committee is to deliberate on issues like investment income earned on the fund, working assets share, etc.

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- **Membership**

The With Profits Committee shall consist of an Independent Director, Chief Executive Officer, an Independent Actuary and the Appointed Actuary. The Company Secretary shall act as Secretary to this Committee.

- **Operations**

The members of the With Profits Committee shall meet at least once in a year. Presence of an Independent Director, Appointed Actuary and Independent Actuary will be necessary to form a quorum. Minutes of every meeting shall be maintained. The meetings can also be conducted vide teleconference/ video conference.

- **Reporting**

The With Profits Committee shall report to the Board of Directors of the Company. The Committee shall report its actions and any recommendations to the Board after each Committee meeting which will include through placing of its minutes of the meetings.

## 5. Policies, Procedures, Compliances and Disclosures

The Company has put in place the following Board approved policies, which are reviewed on an annual basis and status update of compliance is placed before the Board / Committees on regular basis

- Prohibition of Insider Trading and Code of Conduct for Dealing in Securities
- Whistle Blower Policy
- Fraud Prevention Policy
- Asset Liability Management Policy
- Compliance Policy
- Audit Policy
- Investment Policy
- Interest Rate Hedging Policy
- Aadhaar Privacy Policy
- Aadhaar Security Policy
- Policy for Protection of Policyholders' Interests
- Policy for Opening, Relocation and Closure of Offices (Places of Business)
- Insurance Agent and Insurance Intermediaries Debit Balance Write off Policy
- Anti Money Laundering and Counter Financing of Terrorism Policy
- Risk Management Policy
- Underwriting Policy and Health Insurance Underwriting Policy

## **Corporate Governance Policy**

- Retention and Reinsurance Policy
- Bonus Policy
- Information and Cyber Security Policy
- Information Technology Policy
- Outsourcing Policy
- Insurance Awareness Policy
- Corporate Social Responsibility Policy
- Environmental, Social and Governance Policy
- Board Diversity Policy
- Diversity, Equity and Inclusion Policy
- Anti-Bribery and Anti-Corruption Policy
- Human Rights Policy
- Corporate Governance Policy
- Stress Test Policy
- Policy on Allotment and servicing of Orphaned policies
- Remuneration Policy
- Policy for Prevention of Sexual Harassment
- Policy on matters relating to Insurance Agents
- Business Continuity Management Policy
- Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions
- Record Maintenance and Document Retention Policy
- Archival Policy
- Policy on Empanelment and On-boarding of Insurance intermediaries
- Policy for Expense of Management
- Policy for Payment of Commission
- Policy on matters relating to Insurance Agents and Point of Sales Persons
- Liquidity Policy
- Stewardship & Voting Policy
- Policy on Succession Planning for the Board and Senior Management
- Policy for Determination of Materiality for Events/ Information and Disclosure thereof to the Stock Exchanges
- Policy on Performance Evaluation of Directors
- Dividend Distribution Policy
- Policy on Product Suitability
- Product Management and Pricing Policy
- Interest Rate Risk Hedging Policy
- Policy on Declaration of Interest Rates under Group Savings Insurance Products

## **Corporate Governance Policy**

### **5.1 Code of Business Conduct and Ethics**

Pursuant to the provisions of Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 The board of directors shall lay down a code of conduct for all members of board of directors and senior management of the listed entity. The Company shall lay down its code of conduct and ethics by adopting the following practices and policies:

- Confidentiality of Information
- Employment conduct
- Conflict of Interest
- Compliance to Laws, Rules and Regulations
- Policy for Prevention of Sexual Harassment
- Code of conduct for all the Directors and senior management
- Familiarization programme for Independent Directors

### **5.2 Remuneration Policy**

The Company shall lay down 'Remuneration Policy' in terms of the provisions of the Companies Act, 2013, to define a compensation & benefits system that helps attract, motivate and retain the deserving employees.

This Policy reflects our commitment to good corporate governance as well as sustained long-term value creation for the Company.

### **5.3 Whistle Blower Policy**

The Company shall lay down 'Whistle Blower Policy' which allows for disclosure by employees and permits the Company to address such disclosures or complaints by taking appropriate action, including but not limited to, disciplining or terminating the employment and/or services of those responsible. The purpose of this Policy is to provide a framework to promote responsible and secure whistle blowing. The details of whistle blower cases shall be presented to the Board Audit Committee on a quarterly basis.

### **5.4 Prohibition of Insider Trading and Code of Conduct for Dealing in Securities**

The Company's Board shall prescribe policy on 'Prohibition of Insider Trading and Code of Conduct for Dealing in Securities' as required under SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time and 'Technical Guide on review and certification of Investment Risk Management Systems & Processes of Insurance Companies' issued by ICAI and IRDAI (Investment) Regulations as amended from time to time.

The scope of policy covers monitoring the investment transactions done by the 'Designated Person(s)' to avoid any conflict of interest vis-à-vis Company's investment activities.

## **Corporate Governance Policy**

The Policy ensures that all security transactions by these 'Designated Person(s)' does not affect any actual or potential interest of the Company and the 'Designated Person(s)' have not taken any undue advantage of any price-sensitive information that they may have in the course of working with the Company. The policy stipulates conditions for prior approvals for investment purposes by the 'Designated Person(s)' and quarterly/ annual disclosures of investments transactions and holdings. A status report on the implementation of the policy and instances of violation, if any, is placed before the Board Audit Committee on a quarterly basis.

### **5.5 Dividend Distribution Policy**

The Company may declare dividend from, inter alia, profits for the Fiscal, or from profits for any previous year, or from free reserves available. The declaration of dividend is required to follow Companies Act, Insurance Act, the Listing Regulations and Article of Association. The dividend policy stipulates, inter alia, certain financial and external factors which will be considered before declaration of dividend by Board. Such factors include profitability and key financial metrics, available solvency margin, capital expenditure requirements and such other factors and or material events which the Board may consider.

### **5.6 Stewardship Policy**

The Company shall lay down a Stewardship Policy pursuant to IRDAI Guidelines on Stewardship Code for Insurers in India vide letter ref no. IRDA/F&A/GDL/CMP/059/03/2017 and subsequent amendments / revisions thereto. The policy aims at laying down a set of principles to engage with the management of the investee company at a greater level to improve governance.

### **5.7 Accounting Standards**

The Company shall follow the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Company (Accounts) Rules, 2014, further amended by Companies (Accounting Standards) Amendment Rules, 2016, to the extent applicable.

### **5.8 Secretarial Standards**

Pursuant to section 118(10) of Companies Act, 2013, the Company shall observe Secretarial Standard with respect to the Board and general meetings as specified by the Institute of Company Secretaries of India.

- Secretarial Standard 1 – Board Meetings
- Secretarial Standard 2 – General Meetings

The Company shall follow the applicable Secretarial Standards issued by The Institute of Company Secretaries of India, from time to time.



## 5.9 Compliance Certification

Information relating to applicable laws, regulations and circulars related to insurance and other regulatory requirements is disseminated to various functions across the Company. In order to ensure the existence of compliance culture at all the levels, the Company has put in place a robust compliance certification process, wherein respective functional Heads provide certificate of Compliance on a quarterly basis to the Managing Director & Chief Executive Officer. Based on the certification from respective functional heads, a compliance certificate by the Managing Director & Chief Executive Officer along with the Compliance Officer is placed at the Board Audit Committee and then placed before the Board of Directors on a quarterly basis.

## 5.10 Disclosure of Material Events, pursuant to Listing Regulations

Pursuant to Regulation 30 of the Listing Regulations, the Company makes necessary disclosures of material events to the Stock Exchanges from time to time as per the Policy for Determination of Materiality and Disclosure of events/ information.

The disclosures made to the Stock Exchanges are also uploaded on the website of the Company i.e. [www.sbilife.co.in](http://www.sbilife.co.in)

## 5.11 Performance Evaluation of Board, Committees and Directors

In terms of the provisions of the Companies Act, 2013 read with rules made thereunder, and the Corporate Governance Guidelines issued by IRDAI, the Board of Directors on the recommendation of the Board Nomination and Remuneration Committee evaluate the effectiveness of the Board.

The evaluations of the Individual Performance of Directors (including Independent Directors), the Board, the Committees and the Chairman of the Board were undertaken through circulation of four questionnaires each for the Individual Performance of Directors, for the Board, Committee and Chairman of the Board. The performance of the Board was assessed on selected parameters related to roles, responsibilities and obligations towards the Board etc. The evaluation criterions for the Individual Performance of Directors were based on their participation, contribution, offering guidance, etc. The evaluation criteria for the Committees related to its composition, adequate independence of the Committee, etc. The evaluation criteria for the Chairman of the Board besides the general criteria adopted for assessment of all Directors, focused incrementally on leadership abilities, timely resolution of grievances of Board Members, etc.

## 6. Disclosures

The Corporate Governance Policy is available on the website of the Company i.e. at [www.sbilife.co.in](http://www.sbilife.co.in) The Corporate Governance Report for every financial year forms part of the Annual Report. The Company also files corporate governance report on quarterly basis to stock exchanges pursuant to the provisions of regulation 27 of Listing Regulations.

## Corporate Governance Policy

### 7. Appendices

#### 7.1 Definitions

**“Policy”** means Corporate Governance Policy.

**“The Act”** means the Companies Act, 2013

**“Listing Regulations”** means the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

**“Corporate Governance Guidelines”** means the IRDAI Corporate Governance Guidelines, 2016

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## ANNEXURE

**The terms of reference of various Board Committees are as under:**

### **A. Board Audit Committee**

The scope and function of the Board Audit Committee is in accordance with Section 177 of the Companies Act 2013, Regulation 18(3) of the Listing Regulations and Clause 7.1 of the Corporate Governance Guidelines and its terms of reference include, the following:

#### **I. Accounts and Audit:**

1. Oversee the financial statements, financial reporting process, statement of cash flow and disclosure of its financial information, both on an annual and quarterly basis, to ensure that the financial statement is correct, sufficient and credible.
2. Recommend to the board of directors the appointment, re-appointment, terms of appointment and, if required, the replacement; remuneration, reviewing (with management) performance, and oversight of the work of the auditors (internal/statutory/concurrent) and to review and monitor the auditor's independence and performance, and effectiveness of audit process in accordance with applicable law;
3. Overseeing procedures and processes established to address issues relating to maintenance of books of account, administration procedure, transactions and other matters which would have a bearing on the financial position of the insurer, whether raised by the auditors or by any other person;
4. Evaluation of internal financial controls and risk management systems;
5. Discuss with the statutory auditors before the audit commences, about the nature and scope of audit, as well as, have post-audit discussions to address areas of concern;
6. Approval of payment to statutory auditors and internal auditors or any of its associated persons or companies, for any other services rendered by them;
7. Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;

- e) Compliance with listing and other legal requirements relating to financial statements to the extent applicable;
  - f) Approval or any subsequent modification and disclosure of any related party transactions of the Company;
  - g) Modified opinion(s) in the draft audit report.
8. Review with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;
9. To the extent applicable review with the management, the statement of uses/end use/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) and related matter, the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
10. Scrutiny of inter-corporate loans and investments, if any;
11. Valuation of undertakings or assets of our Company, wherever it is necessary;
12. Carrying out any other function, if any, as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or the Listing Regulations, or by the Corporate Governance Guidelines or under any applicable law.

## **II. Internal audit:**

- 1. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- 2. Oversee the efficient functioning of the internal audit department and review its reports. The Committee will additionally monitor the progress made in rectification of irregularities and changes in processes wherever deficiencies have come to notice;
- 3. Establishing procedures and processes to address all concerns relating to adequacy of checks and control mechanisms set in place;
- 4. Discussion with internal auditors of any significant findings and follow up there on; Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 5. Review with the management, performance of internal auditors, and the adequacy of the internal control systems;

## Corporate Governance Policy

6. Approving payments to statutory auditors for any other services rendered by the statutory auditors;
7. Review the functioning of the whistle blower/vigil mechanism for directors and employees.

### III. Compliance and ethics:

1. Discuss the level of compliance in the Company and any associated risks and to monitor and report to the Board on any significant compliance breaches and act as a compliance committee to ascertain and monitor compliance level of the Company and any associated risks;
2. Act as a compliance committee to ascertain and monitor compliance level of the Company and any associated risks in order to report to the board of directors on any significant compliance breaches;
3. Approve compliance programmes, reviewing their effectiveness on a regular basis and signing off on any material compliance issues or matters;
4. Approval of appointment of Chief Financial Officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate.

In addition to the above, the powers of the Audit Committee, *inter alia*, include investigating any activity within its terms of reference and to seek information from any employee. The reviewing powers of the Audit Committee, *inter alia*, include review of management's discussion and analysis of financial condition and results of operations and statement of significant related party transaction as defined by the Audit Committee and submitted by the management.

## B. BOARD INVESTMENT POLICY

The terms of reference of the Board Investment Committee, include the following:

1. Responsible for the recommendation of the Investment Policy and operational framework for the investment operations of the Company. The Investment Policy and operational framework should, *inter alia*, focus on a prudential asset liability management supported by robust internal control systems; and encompass aspects concerning liquidity for smooth operations, compliance with prudential regulatory norms on investments, risk management/mitigation strategies to ensure commensurate yield on investments in line with policyholders' reasonable expectations and above all protection of policyholders' funds;
2. Put in place an effective reporting system to ensure compliance with the Investment Policy set out by it apart from Internal/Concurrent Audit mechanisms for a sustained and on-going monitoring of Investment Operations;
3. To submit a report to the Board on the performance of investments at least on a quarterly basis and provide an analysis of its investment portfolio (including with regard to the portfolio's safety and soundness) and on the future outlook;

4. The committee review the investment decisions and ensure the support by the internal due diligence process for making appropriate investment decisions; and
5. Carrying out any other function, if any, as is mentioned in the terms of reference of the Investment Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or the Listing Regulations, or by the Corporate Governance Guidelines issued by the IRDAI, or under any applicable law.

Additionally, the Investment Committee is, *inter alia*, responsible for implementing the investment policy approved by the Board.

### **C. BOARD RISK MANAGEMENT COMMITTEE**

The terms of reference of the Board Risk Management Committee, includes the following:

#### **I. Risk management:**

1. Assisting the Board in effective operation of the risk management system by performing specialized analysis and quality reviews;
2. Maintaining a group wide and aggregated view of the risk profile of the Company in addition to the individual risk profiles;
3. Reporting to the Board details of the risk exposures and the actions taken to manage the exposures, set the risk tolerance limits and assess the cost and benefits associated with risk exposure and review, monitor and challenge where necessary, risks undertaken by the Company;
4. Advising the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy, acquisitions and related matters;
5. Review the Company's risk-reward performance to align with overall policy objectives;
6. Discuss and consider best practices in risk management in the market and advise the respective functions;
7. Maintain an aggregated view on the risk profile of the Company for all categories of risk including insurance risk, market risk, credit risk, liquidity risk, operational risk, compliance risk, legal risk, reputation risk, etc.;
8. Review the solvency position of the Company on a regular basis;
9. Monitor and review regular updates on business continuity;
10. Formulation of a fraud monitoring policy and framework for approval by the Board;

## **Corporate Governance Policy**

11. Monitor implementation of anti-fraud policy for effective deterrence, prevention, detection and mitigation of frauds;
12. Review compliance with the guidelines on Insurance Fraud Monitoring Framework dated January 21, 2013, issued by the IRDAI; and
13. Carrying out any other function, if any, as is mentioned in the terms of reference of the Risk Management Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or the Listing Regulations, or by the Corporate Governance Guidelines issued by the IRDAI, or under any applicable law.

## **II. Asset Liability Management (ALM):**

1. Formulating and implementing optimal ALM strategies, both at the product and enterprise level and meeting risk versus reward objectives and ensuring they remain within acceptable monitored tolerances for liquidity, solvency and the risk profile of the entity;
2. Reviewing the Company's overall risk appetite and laying down the risk tolerance limits; including annual review of strategic asset allocation;
3. Monitoring risk exposures at periodic intervals and revising strategies as appropriate including those for ALM;
4. Placing information pertaining to ALM before the Board at periodic intervals;
5. Setting the risk/reward objectives i.e. the risk appetite of the Company informed by assessment of policyholder expectations and other relevant factors;
6. Quantifying the level of risk exposure (market, credit and liquidity) and assessing the expected rewards and costs associated with the risk exposure;
7. Ensuring that management and valuation of all assets and liabilities comply with the standards, prevailing legislation and internal and external reporting requirements;
8. Reviewing key methodologies and assumptions including actuarial assumptions, used to value assets and liabilities;
9. Managing capital requirements at the company level using the regulatory solvency requirements;
10. Reviewing, approving and monitoring capital plans and related decisions over capital transactions; and
11. Carrying out any other function, if any, as is mentioned in the terms of reference of the Risk Management Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or the Listing Regulations, or by the Corporate Governance Guidelines issued by the IRDAI, or under any applicable law.

### **III. Information Technology & Information Security**

1. Provide strategic direction for the Company's information technology and network related infrastructure, security and services.
2. Recommending IT and IT Security policy documents to the Board of the Directors, ensuring that the management has put an effective strategic planning process in place;
3. Promoting and supporting the development of best practices in the Company's knowledge creation and dissemination imperatives through the provision of the best possible infrastructure and services.
4. Ensuring that the IT Organizational structure complements the business model and its direction and reviewing IT performance measurement and contribution of IT to businesses (i.e. delivering the promised value)
5. To ensure that the Company is adequately prepared to mitigate Information and cyber security related risks and develop an in-built governance mechanism for effective implementation of Information and cyber security framework ;
6. Carrying out any other function, if any, as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or the listing regulations, or by the Corporate Governance Guidelines issued by the IRDAI, or under any applicable law.

### **D. BOARD POLICYHOLDER PROTECTION COMMITTEE**

The terms of reference of the Policyholders' Committee include the following:

1. Putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries;
2. Ensure compliance with the statutory requirements as laid down in the regulatory framework pertaining to policyholders' protection;
3. Review the mechanism at periodic intervals;
4. Ensure adequacy of disclosure of "material information" to the policyholders. These disclosures shall, for the present, comply with the requirements prescribed by the IRDAI both at the point of sale and at periodic intervals;
5. Review the status of complaints of the policyholders and take steps to reduce these complaints at periodic intervals;
6. Provide the details of grievances at periodic intervals in such formats as may be prescribed by the IRDAI;
7. Provide details of insurance ombudsman to the policyholders;



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8. Shape the customer service philosophy and policies of the organisation based on the overall environment in the financial services industry;
9. Oversee the functions of the customer service council;
10. Review measures for enhancing the quality of customer service;
11. Provide guidance to improve in the overall satisfaction level of customers;
12. Adopt standard operating procedures to treat the customer fairly including time-frames for policy and claims servicing parameters and monitoring implementation thereof;
13. Put in place a framework for review of awards given by Insurance Ombudsman/ Consumer Forums. Analyze the root cause of customer complaints, identify market conduct issues and advise the management appropriately about rectifying systemic issues, if any;
14. Review all the awards given by Insurance Ombudsman/Consumer Forums remaining unimplemented for more than three months with reasons therefore and report the same to the Board for initiating remedial action, where necessary;
15. Review of Claims Report, including status of Outstanding Claims with ageing of outstanding claims;
16. Reviewing Repudiated claims with analysis of reasons;
17. Status of settlement of other customer benefit payouts like Surrenders, Loan, and Partial withdrawal requests etc.; and
18. Review of unclaimed amounts of Policyholders, as required under the Circulars and guidelines issued by the IRDAI.

Additionally, the Policyholder's Committee, *inter alia*, recommends the formulation of policies and establishing systems for customer education and to ensure that policyholders have access to redressal mechanism. It is also responsible for putting in place a dedicated unit to address complaints and grievances of policyholders.

### **E. BOARD NOMINATION & REMUNERATION COMMITTEE**

The terms of reference of the Nomination and Remuneration Committee, *inter alia*, include:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
2. To consider and approve employee stock option schemes and to administer and supervise the same;
3. To devise a policy on diversity of the Board;

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4. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and formulate criteria for evaluation of every director's performance;
5. To scrutinize the declarations of intending applicants before the appointment/re-appointment/election of directors by the shareholders at the annual general meeting; and to scrutinize the applications and details submitted by the aspirants for appointment as the key managerial personnel;
6. To consider whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors; and;
7. Carrying out any other function, if any, as is mentioned in the terms of reference of the Board Nomination and Remuneration Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or the Listing Regulations, or by the Corporate Governance Guidelines issued by the IRDAI, or under any applicable law.

### **F. BOARD CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The terms of reference of the Corporate Social Responsibility Committee are set out below:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company.
2. To recommend the amount of expenditure to be incurred on the Corporate Social Responsibility activities; and
3. To monitor the Corporate Social Responsibility Policy of the Company from time to time.

### **G. BOARD WITH PROFITS COMMITTEE**

The terms of reference of the With Profits Committee include the following:

1. Maintaining the asset shares at policy level, and ensuring that only the portion of expenses representing this business shall be allocated and interest rate credits to these asset shares represent the underlying assets of these funds;
2. Determining the asset share for each product in accordance with the guidance or practice standards, etc. issued by the Institute of Actuaries of India and IRDAI; and
3. Determining and providing approval for the detailed working of the asset share, the expense allowed for, the investment income earned on the fund of policyholders, etc. which were represented in the asset share.

## H. BOARD STAKEHOLDERS RELATIONSHIP AND SUSTAINABILITY COMMITTEE

The terms of reference of the Stakeholders' Relationship and Sustainability Committee include the following:

1. Consider and review redressal and resolutions of the grievances of the security holders of the Company including those of shareholders, debenture holders and other security holders;
2. Approval and rejection of transfer and transmission of shares or securities, including preference shares, bonds, debentures and securities;
3. Approval and rejection of requests for split and consolidation of share certificates;
4. Approval and rejection of issue of duplicate share certificates, issued from time to time;
5. Redemption of securities and the listing of securities on stock exchanges;
6. Allotment of shares and securities;
7. Responsible for establishing ESG framework as well as for detecting, minimizing, and managing material concerns and ESG.
8. Any other activities as decided by the Board or required under Companies Act/ Listing Regulations and any other applicable Laws.

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