



# Corporate Governance Policy

<p>"This document is the property of SBI Life Insurance Co Ltd. This document should not be quoted or reproduced or circulated in any form or means including electronic, mechanical, photocopying or otherwise. Any unauthorised use of the document or contents of the same is strictly prohibited".</p>
--

## Table of Contents

<b>1. Introduction.....</b>	<b>4</b>
1.1. Background.....	4
1.2 Objective.....	4
1.3 Applicability.....	5
1.4 Review and Approval of the Policy.....	5
<b>2. Board of Directors.....</b>	<b>5</b>
2.1 Committees of Board of Directors.....	6
2.2 Sub Committees of Executives.....	6
2.3 Composition of Board.....	6
2.4 Responsibilities of Board.....	7
2.5 Independent Director.....	9
2.6 Appointment of Directors.....	10
2.6.1 Qualification and Criteria for Appointment of Directors.....	11
2.6.2 Criteria for Independence .....	11
2.6.3 Tenure of Director(s).....	12
2.6.4 Compensation/ Sitting Fees.....	12
2.6.5 Board Meetings.....	13
2.6.6 Agenda for the Board Meetings.....	13
2.6.7 Attendance at Board Meetings.....	13
2.6.8 Minutes of the Board & Committee Meeting.....	14
<b>3. Key Management Personnel.....</b>	<b>14</b>
3.1 Key Managerial Personnel as per Companies Act, 2013.....	14
3.2 Key Managerial Personnel as per IRDAI CG Regulations .....	14
3.3 Responsibilities of KMPs including Chief Compliance Officer.....	15
<b>4. Board Committees.....</b>	<b>15</b>
<b>5. Policies, Procedures, Compliances and Disclosures.....</b>	<b>20</b>
a. Code of Business Conduct and Ethics.....	21
b. Remuneration Policy.....	22
c. Whistle Blower Policy.....	22
d. Prohibition of Insider Trading and Code of Conduct for Dealing in Securities.....	22
e. Dividend Distribution Policy.....	23
f. Stewardship Policy.....	23
g. Accounting Standards.....	23

<b>h. Secretarial Standards.....</b>	<b>23</b>
<b>i. Compliance Certification .....</b>	<b>23</b>
<b>j. Disclosure of Material Events, Pursuant to Listing Regulations.....</b>	<b>24</b>
<b>k. Performance Evaluation of Board, Committees and Directors.....</b>	<b>24</b>
<b>6.Disclosures .....</b>	<b>24</b>
<b>7. Appendices.....</b>	<b>24</b>
<b>7.1 Definitions.....</b>	<b>24</b>
<b>Annexure – Terms of Reference of various Board Committees.....</b>	<b>25</b>

## 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.

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 for Insurer) Regulations, 2024 and circular, guidelines issued thereunder and as amended from time to time.

### 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.

### 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.

Internal

## Corporate Governance Policy

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:

- Optimum 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, circulars & guidelines issued from time to time
- 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 Chairperson 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.

**Internal**

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, with due diligence and care and in the best interests of the Company taking into account the interests of stakeholders.

## **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 Grievance Redressal and Claims Monitoring Committee (PPGR&CM 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.

The Company's Board shall have an optimum combination of Executive, Non-Executive and Independent Directors, subject to a minimum of three independent Directors, including at least one Independent Woman Director as required by the applicable laws/ rules and regulations.

The Non-executive Chairperson is nominated by State Bank of India, being promoter of the Company, at least half of the board of directors of the Company shall consist of Independent directors.

It is essential that the Directors possess the knowledge of group structure, organizational structure, process and products of the Company. The Board shall comply with inter alia the following key requirements:

## Corporate Governance Policy

- i. The Board of Directors should understand the operational structure of the Company and have a general understanding of the lines of business and products of the Company, more particularly as the Company grows in size and complexity.
- ii. The Company, being a part of SBI Group, it is important that Board of Directors understand the material risks and issues that could affect the Group entities, with attendant implication on the Company.

### 2.4 Responsibilities of Board

- I. The Board shall be responsible for matters prescribed under various regulations/ guidelines, etc. including listing regulations, Companies Act 2013 and rules made thereunder and IRDAI Corporate Governance Regulations read with Rules, Circulars and Guidelines issued thereunder and as amended from time to time.
- 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 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.
  - f) ensure appropriate systems and procedures for risk management and internal controls are in place. The Board shall also oversee that these systems and procedures are operating effectively as intended.

Internal

## Corporate Governance Policy

- 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. The Board in active consultation with the Key Management Persons, should establish and evaluate strategies and policies to address, at the minimum, a broad range of areas, as stipulated in applicable Regulations, Circulars and Guidelines issued by the Regulators from time to time, inter-alia including:
  - (i) Overall direction of the business of the company, including policies, strategies and risk management across all the functions and in particular shall articulate and commit to a corporate philosophy and governance that will shape the level of risk adoption, standards of business conduct and ethical behaviour of the Company at the macro level;
  - (ii) Projections on the capital requirements, revenue streams, expenses and the profitability. While laying down the projections, the Board must address the expectations of the shareholders and the policyholders;
  - (iii) Obligation to fully comply with the Insurance Act and the regulations framed thereunder, and other statutory requirements applicable to it;
- 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.

**Internal**



## Corporate Governance Policy

- Assessing the performance of Senior. 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.
- 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

**Internal**

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.

- 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 Board 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 (shall be a Whole-time Director of the Board) requires prior approval of IRDAI. Where the appointment of MD/CEO/WTB and Chairperson is governed by the specific acts/rules/ regulations/instructions of the Government of India, no prior approval of the Authority is required.

Internal

### 2.6.1 Qualification and Criteria for Appointment / Re-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 integrity, qualification, expertise and experience of the person for appointment as Director and recommend to the Board his/ her appointment.

The Directors shall be suitable persons who meet the “fit and proper” criteria.

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 IRDAI Corporate Governance Regulations and Master Circular issued thereunder, 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

Internal

## Corporate Governance Policy

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, IRDAI Corporate Governance Regulations and Rules, Circulars and Guidelines thereunder, 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 statutory approvals required from time to time, the post of the Managing Director (MD), Chief Executive Officer (CEO) or Whole-time Director (WTD) shall not be held by the same incumbent for a continuous period of more than 15 years.

The MD & CEO shall be nominated by State Bank of India, subject to provision of Articles of Association of the Company and Statutory/Regulatory approvals. MD & CEO shall not hold the said posts for a continuous period of more than 12 years. However, the Authority may, on an application made to it by the concerned insurer giving substantial reasons for the same, permit such MD & CEO to hold office up to 15 years.

The continuation of a director (other than MD & CEO, Independent Director and Director liable to retire by rotation) serving on the board of directors of the Company shall be subject to the approval by the shareholders in a general meeting at least once in every five years from the date of their appointment or reappointment, as the case may be as per the requirements of Regulations 17(1D) of Listing Regulations

Subject to the Board's decision or 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. No independent Director shall hold office for more than two consecutive terms. Such independent director shall be eligible for re-appointment only after a cooling-off period of at least three years.

### 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

Internal

## **Corporate Governance Policy**

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 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 SEBI Listing Regulations and IRDAI Corporate Governance Regulations, 2024 and circulars issued thereunder. 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.

**Internal**

## Corporate Governance Policy

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 Chairperson is not present for the meeting, then the Chairperson 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 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 Regulations

Pursuant to the IRDAI Corporate Governance Regulations 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 and Chief Distribution Officer
- vii. President & 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 & Corporate Communication and CSR
- xiv. Compliance Officer; and
- xv. Company Secretary.

Internal

### 3.3 Responsibilities of KMPs including Chief Compliance Officer (CCO)

Responsibilities of Key Management Persons including Chief Compliance Officer shall be as stipulated in IRDAI (Corporate Governance for Insurers Regulations, 2024 and Master Circular issued thereunder and other applicable Regulations, Circulars and Guidelines.

## 4. Board Committees

All the Board Committee shall report to the Board of Directors of the Company. The Committees 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.

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 ('Committee')

<b>Constitution</b>	<ul style="list-style-type: none"> <li>➤ The Chairperson of the Committee shall be an Independent Director and should ideally be a professional Chartered Accountant or a person with strong financial analysis background</li> <li>➤ The Chairperson of the Board should not be a member of the Audit Committee.</li> <li>➤ Members appointed by the Board of Directors which shall consist of a minimum of three directors with two-thirds of the members shall be Independent Directors.</li> </ul> <p>In additions to the members of the Committee, Audit Committee Meeting may be attended by;</p> <ul style="list-style-type: none"> <li>➤ Statutory auditors</li> <li>➤ Senior Management as per the discretion of the Committee</li> <li>➤ Company Secretary to act as the Secretary to the Committee</li> <li>➤ Such other invitees at the discretion of the Chairperson of the Committee</li> </ul> <p>Managing Director &amp; CEO / Executive Director shall attend the Audit Committee meeting as an Invitee, and association should be limited to occasions where the Audit Committee requires eliciting any specific information concerning audit findings</p>
<b>Objectives</b>	<p>The objective of the Audit Committee inter-alia to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control &amp; the audit process and the adequacy of process for monitoring compliance with applicable law and regulations and to perform the activities listed in terms of reference of the Committee.</p>
<b>Role and Responsibilities</b>	<p>The role and responsibilities of the Committee is given in Annexure I - Terms of Reference</p>

Internal



<b>Frequency and Proceedings of Meeting/Quorum requirement</b>	<p>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 successive meetings.</p> <p>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.</p> <p>The Company Secretary will maintain minutes of the meetings of the Board Audit Committee. The meetings can also be conducted vide tele-conference/ video-conference, where permitted by applicable regulations or as required otherwise. The Chairperson shall remain present at the Annual General Meeting to respond to shareholder queries.</p>
--	--

**b. Board Investment Committee ('Committee')**

<b>Constitution</b>	<ul style="list-style-type: none"> <li>➤ The Chairperson of the Committee shall be an Independent Director</li> <li>➤ Members appointed by the Board of Directors which shall consist of at least two Non-Executive Directors, the Chief Executive Officer, Chief Financial Officer, Chief Investment Officer, Chief Risk Officer and the Appointed Actuary</li> <li>➤ The Company Secretary to act as the Secretary to the Committee</li> <li>➤ Such other invitees at the discretion of the Chairperson of the Committee.</li> </ul>
<b>Objectives</b>	<p><b>The objective of Investment Committee inter-alia</b> to lay down the policy and framework for the investment operations of the Company and oversees its effective implementation and to perform the activities listed in terms of reference of the Committee.</p>
<b>Role and Responsibilities</b>	<p>The role and responsibilities of the Committee is given in Annexure I - Terms of Reference</p>
<b>Frequency and Proceedings of Meeting/Quorum requirement</b>	<p>The members of the Investment Committee shall meet at least four times in a year and not more than four months shall elapse between two successive meetings.</p> <p>The quorum shall be either two members or one third of the members of the Committee whichever is greater subject to atleast one Independent Director to be present in the meeting to form quorum.</p> <p>The Company Secretary will maintain minutes of the meetings of the Board Investment Committee. The meetings can also be conducted vide teleconference/video conference, where permitted by applicable regulations or as required otherwise.</p>

Internal



**c. Board Risk Management Committee ('Committee')**

<b>Constitution</b>	<ul style="list-style-type: none"> <li>➤ The Chairperson of the Committee shall be an Independent Director who shall not be chair of the Audit Committee of the Board.</li> <li>➤ Members appointed by the Board of Directors which shall consist of at least two non-executive directors, one independent director, the Chief Executive Officer, the Chief Financial Officer, the Appointed Actuary and the Chief Risk Officer.</li> <li>➤ Company Secretary to act as the Secretary to the Committee</li> <li>➤ The Committee may appoint senior executives of the Company as the members of the Committee</li> <li>➤ Such other invitees at the discretion of the Chairperson of the Committee</li> </ul>
<b>Objectives</b>	The objective of the Committee inter-alia to formulate Risk Management Strategy in order to develop a strong risk management system and risk mitigation strategies and oversee its effective implementation and to perform the activities listed in terms of reference of the Committee.
<b>Role and Responsibilities</b>	The role and responsibilities of the Committee is given in Annexure I - Terms of Reference
<b>Frequency and Proceedings of Meeting/Quorum requirement</b>	<p>The members of the Risk Management Committee shall meet at least four times in a year and not more than four months shall elapse between two successive meetings.</p> <p>The quorum shall be either two members or one third of the members of the Committee whichever is greater. However, presence of atleast one Independent Director is mandated to form the quorum.</p> <p>The Meetings can also be conducted <i>vide</i> teleconference/video conference, where permitted by applicable regulations or as required otherwise.</p>

**d. Board Policyholder Protection, Grievance Redressal and Claims monitoring Committee ('PPGR &CM Committee')**

<b>Constitution</b>	<ul style="list-style-type: none"> <li>➤ The Chairperson of the PPGR &amp; CM Committee shall be an Independent Director</li> <li>➤ Members appointed by the Board of Directors</li> <li>➤ Insurance expert/ representative of customers as an Invitee</li> <li>➤ Company Secretary to act as the Secretary to the Committee</li> <li>➤ Such other invitees at the discretion of the Chairperson of the Committee</li> </ul>
<b>Objectives</b>	The objective of the Committee inter-alia to formulate a policy for adoption of sound and healthy practices for policyholders' service, redressal of customer grievances, consumer awareness & education and matters relating to claim and to perform the activities listed in terms of reference of the Committee.

Internal

<b>Role and Responsibilities</b>	The role and responsibilities of the Committee is given in Annexure I - Terms of Reference
<b>Frequency and Proceedings of Meeting/Quorum requirement</b>	The members of PPGR & CM Committee shall meet at least four times in a year 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 by the Company Secretary. The Meetings can also be conducted <i>vide</i> teleconference/video conference, where permitted by applicable regulations or as required otherwise.

**e. Board Nomination & Remuneration Committee ('Committee')**

<b>Constitution</b>	<ul style="list-style-type: none"> <li>➤ The Chairperson of the Committee shall be an Independent Director</li> <li>➤ All the members of the Committee should be Non-Executive Director</li> <li>➤ Members appointed by the Board of Directors which shall consist of a minimum of three non-executive directors, with two-thirds of the members shall be Independent Directors.</li> <li>➤ Company Secretary to act as the Secretary to the Committee</li> <li>➤ Such other invitees at the discretion of the Chairperson of the Committee</li> </ul> <p>The Chairperson whether executive or non-executive, may be appointed as a member of the Committee and shall not chair such Committee.</p>
<b>Objectives</b>	<p><b>Objectives</b></p> <p>The objective of the Committee inter-alia to identify persons who are qualified to become directors and members of senior management in accordance with the criteria laid down by the Company including 'fit and proper' norms, recommend to the Board their appointment, re-appointment, removal, formulation of remuneration policy and to perform the activities listed in terms of reference of the Committee.</p>
<b>Role and Responsibilities</b>	<p><b>Role and Responsibilities</b></p> <p>The role and responsibilities of the Committee is given in Annexure I - Terms of Reference</p>
<b>Frequency and Proceedings of Meeting/Quorum requirement</b>	<p><b>Frequency and Proceedings of Meeting/Quorum requirement</b></p> <p>The Committee shall meet as frequently as required to perform its functions provided that there shall be at least two meetings.</p> <p>Minutes of every meeting shall be maintained by the Company Secretary. The Chairperson of the Committee may be present at the Annual General Meeting, to answer the shareholder queries.</p> <p>The quorum for the meeting of the Committee shall be two Members of the Committee or one-third of the Members of the Committee, whichever is greater, 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. The Meetings</p>

Internal

	can also be conducted <i>vide</i> teleconference/video conference, where permitted by applicable regulations or as required otherwise.
--	--

**f. Board Stakeholders' and Sustainability Relationship Committee ('Committee')**

<b>Constitution</b>	<ul style="list-style-type: none"> <li>➤ Members appointed by the Board of Directors which shall consist of a minimum of three directors, with atleast one being an Independent Directors</li> <li>➤ The Chairperson of the Committee shall be Non-Executive Director</li> <li>➤ Company Secretary to act as the Secretary to the Committee</li> <li>➤ Such other invitees at the discretion of the Chairperson of the Committee</li> </ul>
<b>Objectives</b>	The objective of the Committee inter-alia to look into various aspects of interest of shareholders, debenture holders and other security holders.
<b>Role and Responsibilities</b>	The role and responsibilities of the Committee is given in Annexure I - Terms of Reference
<b>Frequency and Proceedings of Meeting/Quorum requirement</b>	<p>The Chairperson shall call the Committee meeting as and when required however the Committee shall meet at least once in a year.</p> <p>The quorum of the meetings shall be one third of the total strength or two members whichever is greater.</p> <p>Minutes of every meeting will be maintained by the Company Secretary. The Chairperson of the Stakeholders Relationship Committee shall be present at the annual general meetings to answer queries of the security holders. The Meetings can also be conducted vide teleconference/video conference, where permitted by applicable regulations or as required otherwise.</p>

**g. Board Corporate Social Responsibility Committee ('Committee')**

<b>Constitution</b>	<ul style="list-style-type: none"> <li>➤ Members appointed by the Board of Directors which shall consist of three or more directors, with atleast one being an Independent Director</li> <li>➤ The Chairperson of the Committee shall be Non-Executive Director</li> <li>➤ Company Secretary to act as the Secretary to the Committee</li> <li>➤ Such other invitees at the discretion of the Chairperson of the Committee</li> </ul>
<b>Objectives</b>	The objective of the committee inter-alia to formulate policy on Corporate Social Responsibility and monitoring its implementation.
<b>Role and Responsibilities</b>	The role and responsibilities of the Committee is given in Annexure I - Terms of Reference
<b>Frequency and Proceedings of Meeting/Quorum requirement</b>	The quorum of the meetings shall be one third of the total strength or two members whichever is greater. The presence of atleast one Independent Director shall be necessary to form the Quorum. Minutes of every meeting will be maintained by the Company Secretary. The Meetings can also be conducted vide teleconference/video conference, where permitted by applicable regulations or as required otherwise.

Internal

**h. Board With Profits Committee ('Committee')**

<b>Constitution</b>	<ul style="list-style-type: none"> <li>➤ With Profits Committee shall consist of an Independent Director, Chief Executive Officer, Chief Financial Officer, an Independent Actuary and the Appointed Actuary</li> <li>➤ Experts with expertise in the areas of Actuarial, Finance, Investment or any other relevant domain</li> <li>➤ Company Secretary to act as the Secretary to the Committee</li> <li>➤ Such other invitees at the discretion of the Chairperson of the Committee</li> </ul>
<b>Objectives</b>	The primary function of the With Profits Committee is to deliberate on issues like investment income earned on the fund, working assets share and recommending bonus for participating policies, etc.
<b>Role and Responsibilities</b>	The role and responsibilities of the Committee is given in Annexure I - Terms of Reference
<b>Frequency and Proceedings of Meeting/Quorum requirement</b>	<p>The quorum of the meeting shall be one third of the total strength or two members whichever is higher. 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.</p> <p>Minutes of every meeting will be maintained by the Company Secretary. The Meetings can also be conducted vide teleconference/video conference, where permitted by applicable regulations or as required otherwise.</p>

**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

- 1) Prohibition of Insider Trading and Code of Conduct for Dealing in Securities
- 2) Whistle Blower Policy
- 3) Fraud Prevention Policy
- 4) Asset Liability Management Policy
- 5) Compliance Policy
- 6) Audit Policy
- 7) Investment Policy
- 8) Interest Rate Hedging Policy
- 9) Aadhaar Privacy Policy
- 10) Aadhaar Security Policy
- 11) Policy for Protection of Policyholders' Interests
- 12) Policy for Opening, Relocation and Closure of Offices (Places of Business)
- 13) Insurance Agent and Insurance Intermediaries Debit Balance Write off Policy
- 14) Anti Money Laundering and Counter Financing of Terrorism Policy
- 15) Risk Management Policy

Internal

## Corporate Governance Policy

- 16) Underwriting Policy and Health Insurance Underwriting Policy
- 17) Retention and Reinsurance Policy
- 18) Bonus Policy
- 19) Information and Cyber Security Policy
- 20) Information Technology Policy
- 21) Outsourcing Policy
- 22) Insurance Awareness Policy
- 23) Corporate Social Responsibility Policy
- 24) Environmental, Social and Governance Policy
- 25) Board Diversity Policy
- 26) Diversity, Equity and Inclusion Policy
- 27) Anti-Bribery and Anti-Corruption Policy
- 28) Human Rights Policy
- 29) Corporate Governance Policy
- 30) Stress Test Policy
- 31) Policy on Allotment and servicing of Orphaned policies
- 32) Remuneration Policy
- 33) Policy for Prevention of Sexual Harassment
- 34) Policy on matters relating to Insurance Agents
- 35) Business Continuity Management Policy
- 36) Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions
- 37) Record Maintenance and Document Retention Policy
- 38) Archival Policy
- 39) Policy on Empanelment and On-boarding of Insurance intermediaries
- 40) Policy for Expense of Management
- 41) Policy for Payment of Commission
- 42) Policy on matters relating to Insurance Agents and Point of Sales Persons
- 43) Liquidity Policy
- 44) Stewardship & Voting Policy
- 45) Policy on Succession Planning for the Board and Senior Management
- 46) Policy for Determination of Materiality for Events/ Information and Disclosure thereof to the Stock Exchanges
- 47) Policy on Performance Evaluation of Directors
- 48) Dividend Distribution Policy
- 49) Policy on Product Suitability
- 50) Product Management and Pricing Policy
- 51) Interest Rate Risk Hedging Policy
- 52) Policy on Declaration of Interest Rates under Group Savings Insurance Products
- 53) Advertisement Policy

### a. 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:

**Internal**

## Corporate Governance Policy

- 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

### b. Remuneration Policy

The Company shall lay down 'Remuneration Policy' in terms of the provisions of the Companies Act, 2013 and IRDAI Corporate Governance Regulations 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.

### c. Whistle Blower Policy

The Company has formulated and adopted a 'Whistle Blower Policy' to enable employees to raise serious concerns, grievances about any unacceptable practice or any event of misconduct, irregularities, governance weaknesses, financial reporting issues within the Company. The policy provides a framework to promote responsible and secure whistle blowing 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 details of whistle blower cases shall be presented to the Board Audit Committee on a quarterly basis.

### d. Code of Conduct for Prohibition of Insider Trading

MD & CEO shall formulate a 'Code of Conduct for Prohibition of Insider Trading 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 Company shall formulate Standard Operating Procedure for Employee Dealing.

The scope of code covers monitoring the investment transactions done by the Designated Persons and their immediate relatives' to avoid any conflict of interest vis-à-vis Company's investment activities.

Code ensures that all security transactions by these 'Designated Persons and their immediate relatives' does not affect any actual or potential interest of the Company and the Designated Persons and their immediate relatives' have not taken any undue advantage of any unpublished price-sensitive information that they may have in the course of working with the Company. The code stipulates conditions for prior approvals for trades by the Designated Persons and their immediate relatives. Disclosures of investments transactions and holdings statement to be

**Internal**

## **Corporate Governance Policy**

submitted quarterly/ annual. 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.

### **e. 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.

### **f. Stewardship Policy**

The Company shall lay down a Stewardship Policy pursuant to IRDAI Corporate Governance Regulations and 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.

### **g. 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.

### **h. 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.

### **i. 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.

**Internal**



**j. 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)

**k. Performance Evaluation of Board, Committees and Directors**

In terms of the provisions of the Companies Act, 2013 read with rules made thereunder, and IRDAI Corporate Governance Regulations, 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 Chairperson of the Board were undertaken through circulation of four questionnaires each for the Individual Performance of Directors, for the Board, Committee and Chairperson 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 criteria 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 Chairperson 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 shall forms part of the Annual Report. A report on status of compliance shall be filed with the IRDAI on an annual basis. The Company shall also files corporate governance report on quarterly basis to stock exchanges pursuant to the provisions of regulation 27 of Listing Regulations.

**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

**“IRDAI Corporate Governance Regulations, 2024”** means the IRDAI (Corporate Governance for Insurer) Regulations, 2024 read with the Master circular on Corporate Governance for Insurer, 2024, issued thereunder and as amended from time to time.

**Internal**



## 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 4.1 of the IRDAI Corporate Governance Regulations 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/secretarial/forensic/systems audit) and to review and monitor the auditor's independence and performance, and effectiveness of audit process in accordance with applicable law; (although the approval of appointment, remuneration and removal of the statutory auditors shall be done by the shareholders at the general body meeting).
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 Company, 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 any additional work other than statutory/internal audit that is entrusted to the auditor or any of its associated persons or companies and payment thereof; keeping in mind the necessity to maintain the independence and integrity of the audit relationship
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;

Internal

- 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, or preferential issue or qualified institutional placement, 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. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
13. Oversight on the overall management costs of the Company as prescribed by IRDAI in order to protect the interests of the policyholders.
14. Review and monitor the auditor's independence and performance and effectiveness of audit process.
15. Approval or any subsequent modification of transactions of the Company with related parties.
- Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed under Rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulations 23 of the Listing regulations.
16. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

**Internal**

17. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholder.
18. 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 IRDAI Corporate Governance, 2024 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;
6. Review the functioning of the whistle blower/vigil mechanism for directors and employees.
7. management letters / letters of internal control weaknesses issued by the statutory auditors;
8. Internal audit reports relating to internal control weaknesses; and
9. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
10. Statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7)

### 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 COMMITTEE

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. The Investment Committee shall be responsible for implementing the Investment Policy duly approved by the Board;
3. 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;
4. 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;

Internal

## Corporate Governance Policy

5. The Committee shall approve the Standard Operating Procedures (SOPs) of Investment Operations of the Company;
6. For assessment of credit risk and market risk, the Committee should not be influenced only by the credit rating. The Committee should independently review the investment decisions and ensure the support by the internal due diligence process for making appropriate investment decisions; and
7. 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 IRDAI Corporate Governance Regulations, 2024 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:

Risk Management function should work in close co-ordination with the finance function, but independently assess and evaluate the capital, finance and other operating decisions. Broadly, the Risk Management Committee shall:

1. Establish effective Risk Management framework and recommend to the Board the Risk Management policy and processes for the organization.
2. Assisting the Board in effective operation of the risk management system by performing specialized analysis and quality reviews;
3. Maintaining a group wide and aggregated view of the risk profile of the Company in addition to the individual risk profiles;
4. 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;
5. Advising the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy, mergers and acquisitions and related matters;
6. Review the Company's risk-reward performance to align with overall policy objectives;
7. Discuss and consider best practices in risk management in the market and advise the respective functions;

Internal

8. 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.;
9. Review the solvency position of the Company on a regular basis;
10. Monitor and review regular updates on business continuity;
11. Formulation of a fraud monitoring policy and framework for approval by the Board;
12. Monitor implementation of anti-fraud policy for effective deterrence, prevention, detection and mitigation of frauds;
13. Review compliance with the guidelines on Insurance Fraud Monitoring Framework issued by the IRDAI relating to risks; and
14. 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 IRDAI Corporate Governance Regulations, or under any applicable law.

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

1. ALM to lay down the framework to ensure that the Company invests in a manner which would enable it to meet its cash flow needs and capital requirements at a future date to mitigate liquidity risk and solvency stipulations.
2. 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;
3. Ensuring that liabilities are backed by appropriate assets and manage mismatches between assets and liabilities to ensure they remain within acceptable monitored tolerances for liquidity, solvency and the risk profile of the entity
4. Reviewing the Company's overall risk appetite and laying down the risk tolerance limits; including annual review of strategic asset allocation;
5. Monitoring risk exposures at periodic intervals and revising strategies as appropriate including those for ALM. Reviewing, approving and monitoring systems, controls and reporting used to manage balance sheet risks including any mitigation strategies.
6. Regular review and monitoring of mismatch between assets and liabilities and the acceptable tolerance limits for mismatch, if any.
7. Placing information pertaining to ALM before the Board at periodic intervals;

**Internal**

## **Corporate Governance Policy**

8. Submitting the ALM information before the Board at periodic intervals. Annual review of strategic asset allocation.
9. Setting the risk/reward objectives i.e. the risk appetite of the Company informed by assessment of policyholder expectations and other relevant factors;
10. Quantifying the level of risk exposure (market, credit and liquidity) and assessing the expected rewards and costs associated with the risk exposure;
11. Ensuring that management and valuation of all assets and liabilities comply with the standards, prevailing legislation and internal and external reporting requirements;
12. Reviewing key methodologies and assumptions including actuarial assumptions, used to value assets and liabilities;
13. Managing capital requirements at the Company level using the regulatory solvency requirements;
14. Reviewing, approving and monitoring capital plans and related decisions over capital transactions (e.g. Dividend Payments, acquisitions, disposals, etc.); and
15. Reviewing the reinvestment decisions of matured investments considering the duration of liabilities.
16. 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 IRDAI Corporate Governance Regulations, 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 ;

**Internal**



## Corporate Governance Policy

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 IRDAI Corporate Governance Regulations, 2024 issued by the IRDAI, or under any applicable law.

### **D. BOARD POLICYHOLDER PROTECTION, GRIEVANCE REDRESSAL AND CLAIMS MONITORING COMMITTEE (PPGR & CM COMMITTEE)**

The terms of reference of the PPGR & CM Committee include the following:

1. The Committee should put in place systems to ensure that policyholders have access to effective redressal mechanisms (including grievances related to mis-selling by intermediaries) and shall establish policies and procedures, for the creation of a dedicated unit to deal with customer complaints and resolve disputes expeditiously and review the same at periodic intervals
2. Ensure compliance with the statutory requirements as laid down in the regulatory framework pertaining to policyholders' protection;
3. 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;
4. Review the status of complaints of the policyholders and take steps to reduce these complaints at periodic intervals;
5. Ensure that there is a Grievance Redressal officer in place who shall be responsible for grievance redressal and whose details are shall be made available at the website
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;
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;

Internal



## Corporate Governance Policy

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 Thirty (30) days with reasons therefore and report the same to the Board for initiating remedial action, where necessary;
15. Review the measures and take steps to reduce customer complaints at periodic intervals
16. Review of Claims Report and monitoring status of claims on regular basis, including claims settled, rejected and Outstanding (with ageing of outstanding claims);
17. Reviewing Repudiated claims with analysis of reasons;
18. Status of settlement of other customer benefit payouts like Surrenders, Loan, and Partial withdrawal requests etc.; and
19. Review the settlement of unclaimed amounts on quarterly basis, including the number and amounts of claims. Also, review the steps taken to reduce unclaimed amounts by identifying policyholders or beneficiaries and creating awareness in accordance with the Standard operating procedure/policy approved by the Committee.
20. Submit to the Board of Director, the status report on policyholders' protection issues

Additionally, PPGR & CM 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 Board Nomination and Remuneration Committee ('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;
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

**Internal**

appointment and removal and formulate criteria for evaluation of every director's performance;

5. For every appointment of an Independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an Independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
6. 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.
7. 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.
8. Company shall obtain an annual declaration from the Directors/ KMPs that the information provided in the declaration at the time of appointment/ reappointment has not undergone any change subsequently and the changes, if any, are apprised by the concerned Director to the Board.
9. The Committee could also make independent/ discreet references, where necessary, well in time to verify the accuracy of the information furnished by the applicant.
10. The Committee is required to determine on behalf of the Board and on behalf of the shareholders with agreed terms of reference, the Company's policy on remuneration packages and any compensation payment, for the CEO, the Executive and Non-Executive Directors, Key Management Persons of the Company in alignment with the applicable framework.
11. The Committee shall ensure that the remuneration packages of the Key Management Persons of the Company are as per the Remuneration Policy approved by the Board.
12. The Committee shall recommend to the Board, all remuneration, in whatever form, payable to senior management
13. The Committee shall ensure that the proposed appointments/ re-appointments of Key Management Persons or Directors are in conformity with the Board approved policy on retirement/ superannuation.

Internal

## **Corporate Governance Policy**

14. The Committee shall satisfy itself that plans are in place for the succession planning for appointment to the Board of Directors and senior management. The Committee shall recommend the same to the Board for its approval including in its implementation in a smooth manner.
15. The Committee shall be responsible for the succession planning of the insurer including in its implementation in a smooth manner.
16. 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;
17. 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.

Functions of the With-Profits Committee shall be in accordance with the provisions of Master Circular on Actuarial, Finance and Investment Functions of Insurers.

**Internal**

## 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. Review of measures taken for effective exercise of voting rights by shareholders.
8. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
9. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company
10. Responsible for establishing ESG framework as well as for detecting, minimizing, and managing material concerns and ESG.
11. Any other activities as decided by the Board or required under Companies Act/ Listing Regulations and any other applicable Laws.

\*\*\*\*\*

Internal