

SBI Life Insurance Company Limited

Terms and condition of appointment of Independent Directors

The Company is governed by the provisions of the Insurance Act, 1938 and Companies Act, 2013. Section 149(6) of Companies Act, 2013 defines an independent director. A duly signed declaration confirming the adherence to the independence criteria would be obtained from the director based on which the Board would determine the classification of the director as an independent director.

Term of appointment

The appointment as director would be subject to the approval of shareholders. Independent directors would not be liable to retire by rotation pursuant to the provisions of the Companies Act, 2013

Induction on Board Committees:

Based on the skill/expertise of the independent directors, the Board may induct an independent director on various Board level Committees as Member or to chair such Committees. The following are the Board level Committees comprising majority of independent directors:

1.	Board Audit Committee
2.	Board Risk Management Committee
3.	Board Investment Committee
4.	Board Policyholder Protection Committee
5.	Board Nomination and Remuneration Committee
6.	Board Corporate Social Responsibility (CSR) Committee
7.	Board Stakeholder Relationship Committee
8.	Board With Profits Committee

The role of the independent director as Member/Chairperson of such Committees would be guided by the terms of reference of the said Committees as prescribed by the Board.

Duties and Responsibilities

As per guidelines of professional conduct, role and functions and duties of the independent director as provided in Section 166 and Schedule IV of the Companies Act, 2013 and responsibilities of the Board as detailed in the IRDAI Corporate Governance guidelines. This will be elaborated in detail in the individual letters given to the independent directors.

Provision for Directors and Officers (D & O) insurance

The Independent Directors are covered under Directors' and Officers' Liability Insurance Policy.

Code of Conduct

A copy of the Code would be shared with the Independent Directors. The Directors need to confirm the compliance to the Code on an annual basis.

Fit & Proper criteria

The Insurance Act prohibits (i) a life insurance agent to be the Director of the life insurance company; and (ii) the common directorship among life insurance companies. Currently, the fit and proper requirements seek to ensure that the Director should not have been convicted or come under adverse notice of the laws and regulations involving moral turpitude or of any professional body.

The Directors are also required to enter into a Deed of Covenant as per the format prescribed, with the Company, pursuant to their terms of appointment to ensure that there is a clear understanding of the mutual role of the company, the Directors and the Board in Corporate Governance.

Remuneration

Independent directors will be entitled to sitting fees for attending meetings of the Board/Committee as applicable. The sitting fees will be within the limits as prescribed under Companies Act, 2013. They would also be entitled to reimbursement of expenses incurred for participation in Board/Committee meetings

The Company updates the Directors on regulatory updates concerning its business through various notes and presentations.
