

SBI LIFE INSURANCE COMPANY LIMITED
VOTING POLICY

Voting Policy

1. Introduction

As an Investment manager, SBI Life has a fiduciary responsibility to act in the best interest of the policyholders. This responsibility includes exercising voting rights attached to securities of the companies in which the insurance company invests in the best interest of the policyholder. This will help in ensuring better corporate governance.

Securities Exchange Board of India (SEBI) has mandated all Mutual Funds to have a voting policy in place and upload it on their respective websites. In order to follow such best practices in the industry, SBI life has framed the general Voting Policy and Procedure for exercising the voting rights. IRDAI vide circular on Stewardship Policy, also requires insurance companies to have voting policy in place so as to discharge stewardship activities effectively. This Voting Policy shall be applicable to the entire equity holdings of SBI Life.

2. Effective Date

The policy is in effect since its date of approval by the Board of Directors in their meeting held on October 17, 2012. The Voting Policy is reviewed annually and in response to changes in practice if sooner. The changes made in the policy will be effective after its approval by the Board of Directors.

3. Guidelines

Authority to Vote

Pursuant to Section 113 of the Companies Act, 2013 and in supersession of all earlier resolutions in connection therewith, any of the following officials of the Company be and is authorized to act as the representative of this Company at any meetings of the members or at any meetings of any class of Debenture holders/ Secured Creditors/ Unsecured Creditors of the companies of which the Company is presently a Member or Debenture holder or a Secured Creditor or Unsecured Creditor:

- | | |
|------------------------------|----------------------------|
| 1. Managing Director& CEO | 5. Head – Legal |
| 2. Executive Directors | 6. Company Secretary |
| 3. Chief Investments Officer | 7. Chief Operating Officer |
| 4. Chief Financial Officer | 8. Fund Managers |

Insurance companies are generally passive investors and would not vote in routine matters proposed in the general meetings. However if SBI Life believes that its interests are involved in any proposal, then it will attend and/or vote for such proposals. Some examples of non routine items are corporate restructuring like mergers, demergers, sale of large portions of business, changes in the capital structure, stock options, appointment and removal of directors etc.

SBI Life may choose not to vote in some of these non-routine matters if there is no conflict of interest or company does not have a clear stance on the proposal.

Proxy Voting Committee:

SBI Life has formed a Proxy Voting Committee comprising of Managing Director & CEO, Chief Investments Officer and all fund managers of SBI Life. The Committee will have the final authority to decide upon exercise of votes. It will meet as and when required to consider proposals for exercise of votes. The quorum for the meeting will be minimum three members, one of which shall be the Managing Director & CEO or Chief Investments Officer.

The Committee may obtain recommendations/ feedback/ opinion/ views from Research Analysts or such other persons as may be felt necessary. The Committee shall at all times have the discretion to decide to exercise a voting right or abstain from it. Managing Director & CEO shall authorize any official of the Company, as specified, to act as a representative to implement the decisions taken by the Committee and take any necessary action as may be required.

Voting Guidelines:

Corporate governance issues are diverse and continually evolving. Whilst it is difficult to provide an exhaustive list of such issues, the following guideline/policies reflect what SBI Life believes to be good corporate governance measures and the stance it may generally take with respect to the below matters.

- 1) **Corporate Governance matters:** SBI Life will support resolutions like change in state of incorporation, merger and corporate restructuring, which are in the interest of the Policy Holders. An analysis of various economic and strategic factors in making the final decision on a merger, acquisition or any other corporate restructuring proposal will be done. However we will vote against resolution pertaining to takeover by an acquirer or otherwise which are against the interest of the Policy Holders. SBI Life will consider, on a case to case basis, proposals to rotate auditors, and will vote against the ratification of auditors when there is convincing evidence of accounting irregularities or negligence

- 2) **Change in capital structure:** Changes in capital structure will generally be supported where a reasonable need for the change is demonstrated. SBI Life will review on case to case basis, proposals by companies to increase authorized shares and the purpose for the increase. SBI Life believes that a company's decision pertaining to financing has a material impact on its shareholders, in particular when it involves the issuance of additional shares or the assumption of additional debt. However changes resulting in excessive dilution of existing shareholder value will be not be supported

- 3) **Stock option plans and other proposals pertaining to management remuneration:** SBI Life would support such remuneration proposals, which are tied to achieving long term performance and enhancing shareholder value. Stock option plans that are excessively generous or dilute other shareholder value will be not be supported
