



Voting Policy

March 2019

Version Control:

Version	Reviewer	Approver	Approval date	Reason for review
1.0	Chief Finance Officer (CFO)	Board	October, 2012	New Document
2.0	CFO	Board	March, 2018	Annual Review
3.0	CFO	Board	March, 2019	Annual Review and adoption of Single Policy Framework

1. Introduction

As an Investment manager, SBI Life has a fiduciary responsibility to act in the best interest of the policyholders. As one of investment best practices and in line with the Stewardship Policy adopted by the company, the investment team will exercise voting rights attached to these securities through online voting mechanism or at the general meetings of the investee companies in the best interest of the policy holders. This document sets out the principles and guidelines to be followed by the investment function for exercising the voting rights. This Voting Policy shall be applicable to the entire equity holdings of SBI Life.

The Policy Effective date will be from the date of its approval in the Board Meeting. The Board shall approve any change in the Voting Policy.

2. Guidelines

The investment team shall review all voting proposals routine as well as non routine items and shall ensure that non routine items like change in the state of incorporation, merger and other corporate restructuring, changes in capital structure, stock options, appointment and removal of directors, etc. are examined in greater detail.

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 comprising of Managing Director & CEO, Chief Investments Officer and all fund managers of SBI Life 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 may decide to vote, or to abstain from voting on proposals of the investee companies taking into account the possible implications of the voting or abstention and decisions shall be taken in the best interest of policy holders of the Company. Any conflicts of interest will be managed as per the rules laid down in the Stewardship Policy.

Managing Director and CEO shall authorize any official of the Company, 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.

- a. **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.

- b. **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.
- c. **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.
- d. **Social and corporate responsibility:** In light of the increasing need for fair disclosure, a growing need for social and corporate responsibility, the SBI Life's responsibility increases. SBI Life shall vote in favour of such matters which are believed to have significant socio-economic benefits.
- e. **Board of Directors:** SBI Life believes in the philosophy of having an independent board of directors as the same is key to complying with good corporate governance norms. We would support an independent board of directors and the key committees such as audit, IPO and remuneration committees etc. to be comprised of independent members.

3. Review and Control

The proceedings of the meetings and the exercise of voting decisions shall be recorded and reported to the Investment Sub-committee (ISC). The ISC shall periodically review the voting guidelines and the actual exercise of proxy voting.

4. Detailed Version control sheet

Change in version no.	Section no.	Erstwhile section	New/Modified section	Reason for change
3.0	Across complete document	Across complete document	Across complete document	Realignment of policy (Adoption of Single Policy Framework)