

Reporting on discharge of stewardship responsibility

Insurance Regulatory and Development Authority of India (IRDAI) through circular IRDA/F&A/GDL/CMP/059/03/2017 requires reporting of the Board approved status of compliance with the stewardship code to the Authority.

The subsequent paragraphs details the manner in which the elements of the stewardship code have been discharged by the Company.

The Board at its meeting held on July 25, 2017 had approved the policy on discharge of stewardship responsibilities and was last reviewed on April 24, 2019. The Policy defines the stewardship responsibilities to be undertaken by the Company and the processes that the Company should follow in order to safeguard the interests of its policyholders. The responsibility for the overall implementation and execution of the Policy rests with the Executive Investment Committee (EIC). Accordingly, the EIC has specified a threshold of investment in an Investee Company beyond which the Company shall perform its stewardship activities and has also specified a procedure for voting.

The status of Compliance with the Stewardship code is stated below:

- **Principle 1**

Insurers should formulate a policy on the discharge of their stewardship responsibilities and publicly disclose it.

Complied with.

The Policy on discharge of stewardship responsibilities (Policy) had been approved by the Board on July 25, 2017 and was last reviewed by the Board on April 24, 2019. The Policy is disclosed on the website of the Company under the public disclosure section.

<https://www.iciciprulife.com/about-us/investor-relations/yearly-public-disclosures.html?ID=about3&action=fy19-yearly>

- **Principle 2**

Insurers should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.

Complied with.

The Policy had been approved by the Board on July 25, 2017 and was last reviewed by the Board on April 24, 2019. The Policy disclosed on the website under the public disclosures section has prescribed procedures to be followed by the Company for identifying and managing conflict of interest. The EIC at its quarterly meetings held on July 16, 2018, October 11, 2018, January 15, 2019 and April 11, 2019 has reviewed and noted all investments where the Company is likely to have a Conflict of interest based on guidance provided in the Policy for identifying such potential conflict.

- **Principle 3**

Insurers should monitor their investee companies.

Complied with.

The Company engages with the investee companies as part of the research process that leads to an investment in an investee company, which include meetings with management. The EIC at its meeting held on April 11, 2019 has reviewed monitoring and engagement activities carried out by the Investment team for the year ended FY2019

- **Principle 4**

Insurers should have a clear policy on intervention in their investee companies.

Complied with.

The Policy covers when and how to intervene, if any intervention is required in any investee company. The EIC reviews the intervention in the investee companies. The EIC at its meeting held on April 11, 2019 noted that there was no intervention in the investee companies during FY2019.

- **Principle 5**

Insurers should have a clear policy for collaboration with other institutional investors, where required, to preserve the interests of the policyholders (ultimate investors), which should be disclosed.

Complied with.

The policy provides for collaboration with other institutional investors in case it is required in the interest of policyholders and if the situation warrants. The EIC reviews if there is any collaboration with other institutional investors. The EIC at its meeting held on April 11, 2019 noted that there was no collaboration with other institutional investors during FY2019.

- **Principle 6**

Insurers should have a clear policy on voting and disclosure of voting activity.

Complied with.

The Policy approved by the Board on July 25, 2017 and last reviewed by the Board on April 24, 2019 also covers clear policy on voting carried out by the Company. The EIC at its quarterly meetings held on July 16, 2018, October 11, 2018, January 15, 2019 and April 11, 2019 noted the voting activities. An annual voting disclosure is published on the website of the Company under the public disclosures section.

<https://www.iciciprulife.com/about-us/investor-relations/yearly-public-disclosures.html?ID=about3&action=fy19-yearly>

- **Principle 7**

Insurers should report periodically on their stewardship activities.

Complied with.

The report on stewardship activities for FY2018 was approved by the Board on April 24, 2018 and was submitted to the IRDAI on June 14, 2018. The same along with the voting MIS was also published under the public disclosures section of the Company.

The Board in its meeting held on April 24, 2019 approved report on stewardship activities and voting MIS for FY2019 which is published under public disclosure section of the Company. The Company would also report its compliance status with the Stewardship principles to IRDAI within stipulated timelines.

<https://www.iciciprulife.com/about-us/investor-relations/yearly-public-disclosures.html?ID=about3&action=fy19-yearly>