

CARE HEALTH INSURANCE LIMITED



Stewardship policy (CHIL/POL/101/004)

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1.0 Guidelines on Stewardship Code

This document sets out the Stewardship Principles to be followed by Care Health Insurance Limited (CHIL) as defined in Guidelines on Stewardship Code for Insurers in India, 2017 and has to be implemented under IRDA circular Ref No.: IRDA/F&A/GDL/CMP/059/03/2017 dated 20th March, 2017 on Code for Stewardship for the Insurers to protect the interest of Policy Holders. The code broadly requires the insurer to have a policy as regards their conduct at general meeting of the investee companies and disclosures relating thereto.

2.0 Policy Scope:

This policy covers the following areas:

- a) The policy shall be implemented in close co-ordination with the investment policy as well as IRDAI guidelines issued in this regard.
- b) Defining of threshold limit to empower the insurer to involve in meetings of the investee company.
- c) Defining extent to which insurer can intervene in the business and policies of the investee company.
- d) Public disclosure of the policy
- e) Measures to be taken if dissatisfied with the response of the investee company f) Assessment of the outcome of intervention by the insurer
- f) Collaboration and extent of engagement with other institutional investors in the investee companies.
- g) Voting decision beneficial for the investment or not detrimental to investment in the investee company.

3.0 Monitoring & Reporting

Audit committee (referred as committee in the policy) of CHIL shall be responsible to keep an oversight on the stewardship related decisions and activities.

Members of the Audit Committee may invite the company's official as may be considered important to discuss subject matter.

The policy will be disclosed on the website within 30 days of approval by the Board, alongside the public disclosures. The policy shall be reviewed on an annual basis or at shorter intervals in light of any change in regulatory requirements and to make suitable modifications thereto. Any change/ modification to the policy on stewardship will be approved by Audit Committee and the updated policy will be disclosed on the company's website.

The reporting to the Authority for Stewardship compliance shall be done in accordance with the guidelines as issued by Authority from time to time. A report for this purpose shall be

annually furnished to the Authority in Annexure A (as per Guidelines on Stewardship code by IRDAI).

4.0 Policy Statement

Principle 1: Insurers should formulate a policy on the discharge of their stewardship responsibilities and publicly disclose it.

As a part of the stewardship responsibility company will monitor and engage with investee companies on issues which are discussed in the shareholders meeting and/ or any other matters which are being monitored as part of the terms of share purchase agreement, if any.

Scope/ Level of Intervention:

This policy applies to the cases where company has invested out of Policy Holders Fund in shares (both equity and preferential shares) which carry voting rights subject to a limit of minimum 2% shareholding of the Investee Company.

CHIL may engage advisors which will help CHIL to discharge its stewardship responsibilities. The ultimate discharge of Stewardship responsibility will remain with CHIL only.

Principle 2: Insurers should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it

The Company has the duty and responsibility to always keep the interest of policyholders first in case of conflict of interest by designating person, not subject to conflict, who will act on behalf of the company/policyholders for resolving of such material conflicts.

Principle 3: Insurers should monitor their investee companies

Company shall monitor their investee companies by:

- a) Participating in their AGM/EGM
- b) Seeking information from the Management
- c) Collecting information available on Public Domain

The Company may ask for its nominee in the board of the investee company in case of investments in excess of 7% of shareholding in the investee company.

Principle 4: Insurers should have a clear policy on intervention in their investee companies

The policy also states that in cases where matter is communicated to the Investee Company but response of Investee Company is dissatisfactory and such case is escalated further, company may suspend further investment in the same company.

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.

CHIL may collaborate with other Institutional Investors who have investment with the same Investee Company, or potentially through proxy solicitation and work in collaboration with them for larger engagements or issues which needs management attention and provided if it is permitted by law or regulation.

Principle 6: Insurers should have a clear policy on voting and disclosure of voting activity

The company aims to use its voting rights as part of its engagement work and will vote mandatorily under the following circumstances or in case the proposed resolution is detrimental to the interest of Policy Holders.

Size of the AUM of the insurer (Rs. Cr)	Compulsory voting required, if the insurer's holding of the paid up capital of investee company (in percentage) is
Upto 2,50,000	3% and above
Above 2,50,000	5% and above

The company does not intend to enter in transactions of stock lending & recalling lent stock.

Principle 7: Insurers should report periodically on their stewardship activities

Company intends to update its activities undertaken for the fulfilment of stewardship responsibilities as part of public disclosure.

5.0 AMENDMENT HISTORY:

Sl. No	Details of Amendment	Date	Prepared By	Reviewed By	Approved By
1.1	Stewardship Policy	25/07/2017	Rohit Nasla	Ambrish Jindal	Pankaj Gupta
1.2	IRDA Specific Changes	02/11/2018	Rohit Nasla	Ambrish Jindal	Pankaj Gupta
1.3	Stewardship Policy	04/11/2019	Rohit Nasla	Ambrish Jindal	Pankaj Gupta
2	IRDA Specific Changes, Change in Format as per ISO & Authorization Matrix	18/06/2020	Shailja Saxena	Rohit Nasla	Ambrish Jindal
3	Organisation name change	03/11/2020	Shailja Saxena	Rohit Nasla	Ambrish Jindal
4	Review	15/06/2021	Shailja Saxena	Rohit Nasla	Ambrish Jindal
5	Change in Authority	26/04/2022	Yogesh Bansal	Ashish Agarwal	Ambrish Jindal
6	Reinstate	27/04/2023	Yogesh Bansal	Ashish Agarwal	Ambrish Jindal