

**THE ORIENTAL INSURANCE COMPANY LIMITED**  
**HEAD OFFICE, NEW DELHI**

**Re: STEWARDSHIP POLICY**

Stewardship Principles are formulated considering various aspects of good governance and transparency in respect of decisions related to Investee Companies. IRDAI has directed Insurers to disclose their policy of monitoring and interference in these Companies. They shall frame policy to add value to the management of the companies. The Principles are framed as below:-

1) **Discharge of Stewardship responsibilities**

Company by way of investments holds equities of many listed companies. The Stewardship policy requires us to formulate and disclose the way company proposes to discharge its responsibilities. Accordingly it is decided that;

- i) Wherever Company's investment in the equity of the Investee Company is below 2% of its capital, Company may adopt a passive approach. No serious involvement in the meetings and or taking part in meetings envisaged unless any other public sector, financial institution is involved therein and interested in our representation/support.
- ii) Where Companies investments is between 2-5% of the total equity, Company shall participate to the extent possible in the meetings, express our opinions and suggestions in the long term interest of the Investee Company. However voting in all resolutions should be in the normal course to support the existing management in the interest of stability. Any deviation shall be in order to support the interest of the other government financial institution and be with reason duly recorded.
- iii) Where the company's investment is in between 5% to 10% of the equity capital, we propose to have more active involvement in the working of the company. Company representative shall vote in favour or against any resolution after analysis of the topic and in the best interest of the shareholders.

- iv) Where companies share exceeds of the 10% of the equity, we look for active participation, if possible with representation on the board, continuous monitoring of the performance of the company, and participation in all meeting. Collaboration with other institutional investors shall also be made to protect the shareholders interest in the long term.

Company does not look for engaging any external services providers for assisting us in the discharge of our Stewardship responsibilities.

- 2) **Managing Conflict of interest between our policy holders, and Investee Companies:** Company shall act in a transparent manner in respect of our interest in Companies that may have conflict of interest with our policy holders. Wherever company holds substantial investments in service providers to our policy holders/customers this should be reported adequately in our website and public disclosure. It should also be ensured that our involvements with such organization are not detrimental to the policy holders / customers interests.
- 3) **Monitoring of Investee Companies:-** It is decided that the regular monitoring of working of the investee companies will be carried out where our investment exceed 5% of the equity of the Investee Company. This may be by way of monitoring the news coverage/ & or regularly studying their financial reports etc.
- 4) **Policy on intervention in Investee Company affairs:-** Company prefer not to intervene in the internal management of investee companies. However where our stake is more than 10% we shall selectively intervene in issues related to company's strategy, performance, governance, remuneration or approach to risks including that may arise from social and environmental matters. Company shall move in confidential and constructive manner to reach positive solutions. Unless unavoidable the matter shall not be escalated to outside the company forums. This may however be done in extreme situation duly recording the reasons thereof and with the specific approval of the Chairman-cum-Managing Director.
- 5) **Policy for collaboration:-** Oriental as well as other GIPSA Companies/GIC of India have large common investments. Coming together on various policy and operational matters will be beneficial to the interest of the company. We have also promoted service arm HI TPA to extend health insurance claims servicing to our policyholders. In all cases their joint / collective action is beneficial the company and policyholders, the same shall be resorted to, also keeping in mind the best interests of the shareholders of the Investee Companies.

- 6) **Policy on voting:-** Oriental's representative in the Investee Company Boards & or participating in shareholders meeting shall support proposals based on analytical decisions and not automatically. Decisions shall in turn aim at promoting growth of Investee Company, thereby enhancing the value to their investors. Our voting shall be open except where it is mandatory through secret ballot. Oriental does not propose to lend our stock as a business operation.
  
- 7) **Overseeing and Reporting:-** Company shall be report from time to time on its activity to the regulator. It is also required that the internal committee be formed with Manager (Mid Office), Chief Manager (Investment A/c.) DGM (Investment A/c.), GM (Investment A/cs), Company Secretary, for overseeing the Stewardship Policy.