



AGRICULTURE INSURANCE COMPANY OF INDIA LIMITED

STEWARDSHIP POLICY OF AIC

1) Discharge of Stewardship responsibilities of AIC:

Agriculture Insurance Company of India Limited, by way of Investments, holds equities of many listed Companies. The Stewardship Policy requires us to formulate and disclose the method by which the Company proposes to discharge its responsibilities.

As the Company has Investment exposure in a large number of Companies and exposure level is very small compared to the total Investment Portfolio, it will engage with all the Investee Companies where the exposure is more than 3% of Investee Companies' Equity Shares. In respect of Companies where the Investments are lower than this threshold level, the engagement shall be on a case-to-case basis.

i) Wherever the Company's Investment in the Equity of the Investee Company is below 3% of its Equity capital, Company may adopt a passive approach. No serious involvement in the meetings and or taking part in meetings is envisaged unless any other Public Sector Financial Institution is involved therein and interested in our representation/support.

ii) Wherever the Company's Investment is between 3% and 5% of the Equity capital of the Investee Company, AIC shall participate to the extent possible in the meetings, express its 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 to support the interest of the other Government Financial Institutions and be with reason duly recorded.

iii) Wherever the Company's Investment is in between 5% and 10% of the Equity capital of the Investee Company, AIC may have more active involvement in the working of the Investee Company. The Company's representative(s) shall vote in favor of /against any resolution after analysis of the topic and in the best interest of the Shareholders of the Company.

iv) Wherever the Company's Investment exceeds 10% of the equity capital, we look for active participation, if possible with representation on the Board, continuous monitoring of the performance of the Company, and participation in all meetings. Collaboration with other Institutional Investors may also be made to protect the Shareholders' interest in the long term.

The Company does not look for engaging any External Service(s) Providers for assisting it in the discharge of its Stewardship responsibilities.

2) Managing Conflict of interest between our Policyholders, and Investee Companies:

The Company shall act in a transparent manner in respect of its interest in Companies that may have a conflict of interest with the Company's Policy holders. It should also be ensured that the Company's involvement with such organizations are not detrimental to the



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Policyholders' interests. Conflicts of interest may arise in certain situations where our Company could have business relations with the Investee Company:

- The Investee Company is a client of the company.
- The Investee Company is engaged in distribution of the insurance products of the Company.
- The Investee Company is a Promoter of the Company.
- The Investee Company is another PSU.

Wherever the Company holds substantial Investments in Service Providers to the Policy holders/Customers, this should be reported adequately in its Website and Public Disclosure. The Company shall make best efforts to avoid such conflict. Further the Company will try to resolve such conflicts of interest keeping in view the best interests of the Policyholders.

3) Monitoring of Investee Companies:

The regular monitoring of working of the Investee Companies shall be carried out where the Company's Investment exceeds 5% of the Equity capital of the Investee Company. This may be by way of monitoring the news coverage and/or regularly studying their financial reports etc. As a part of a prudent Investment Policy, the Investment team should continuously monitor the Investee Companies in respect of their performance, value creation and other parameters.

The Company shall try to make such arrangements that it gets notices of all Corporate Governance-related matters by electronic format in addition to the communication sent by the Investee Companies. This will help the Company to monitor the Investee Company in an efficient manner. There will be no threshold limit applicable for such monitoring purpose. The Management of the Company may decide on a case-to-case basis to have nominations on the Board of an Investee Company in consultation with other Public-Sector Insurance Companies.

4) Policy on intervention in Investee Company Affairs:

The Company prefers not to intervene in the internal management of Investee Companies. However, where the Company's stake is more than 10%, it 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. The Company shall move in a confidential and constructive manner to reach positive solutions. Unless unavoidable, the matter shall not be escalated to outside the Company forum. This may however be done in an extreme situation, duly recording the reasons thereof and with the specific approval of the Chairman-cum-Managing Director.

5) Policy on Collaboration:

AIC as well as other GIPSA Companies including GIC of India have large common Investments. Coming together on various policy and operational matters will be beneficial to the interests of the Company. In all cases where their joint/collective action is beneficial to the Company and Policyholders, the same shall be resorted to, also keeping in mind the best interests of the Shareholders of the Investee Companies.



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6) Policy on Voting:

The Company's Investments in various Investee Companies, gives AIC the right to cast its vote in the various management resolutions. The Company will exercise its voting rights judiciously, as per the voting policy.

AIC's Authorized representative(s) shall support proposals based on analytical decisions. Decisions shall in turn aim at promoting growth of the Investee Company, thereby enhancing the value to their investors. The voting shall be open except where it is mandatory through secret ballot.

Companies Act, 2013 has made it mandatory for all listed Companies to provide E-voting platform to its Shareholders. AIC will prefer to vote on the resolutions through E-voting process. The Company may also send its Authorized representative(s) to attend the meeting for better participation in discussion with the management of the Investee Companies. The list of Authorized Representative(s) will be revised as and when required to ensure that we have sufficient officials available to attend the meetings. The Company may also use the services of the custodian to carry out E-voting.

AIC's Authorized representative(s) would vote on the resolution of the Investee Companies where the Company's holding is more than 10% of the Equity Capital of the Investee Company. Where the Company's Investment is less than this threshold level, it will decide to vote on a case-to-case basis. Any management proposal that will add the value to the Investee Company should be in the interest of its Shareholders. The Company may support resolutions that empower the Board of the Investee Company's function in the best interests of their Shareholders. Wherever the Company feels that, any Corporate Governance proposal or practice is not in the best interest of the Company or may diminish the value for the Shareholder, the Company shall vote against it.

- AIC may abstain from voting on such resolutions, where it does not have sufficient information or unable to have a clear stance.
- AIC may also abstain from voting if there is any conflict of interest.

7) Overseeing and Reporting:

The Company shall report on its activity to the Regulator from time to time. Any subsequent change/modification in the Policy will be disclosed on the Website after the same is approved by the Board. An Internal Committee shall be formed with Officials in Investment Mid-Office & Back-Office, DGM (Investments), GM (Investments), Company Secretary, for overseeing the Stewardship Policy.