

Policy on Stewardship Code

Introduction

Insurance Companies are significant institutional investors in listed companies and a large part of these investments is held as custodians of policyholders. Insurance Regulatory and Development Authority of India (IRDAI) vide circular number IRDA/F&A/GDL/CMP/059/03/2017 dated 20th March 2017 has issued guidelines on Stewardship Code for insurers in India.

Stewardship Code is in the form of set of principles, which the insurers would require to adopt for their implementation.

Stewardship Principles

NAVI General Insurance Limited (“NAVI GI”) has framed this Stewardship Policy based on IRDAI guidelines on Stewardship Code for Insurers in India dated 20th March 2017.

1. Principle 1 - Discharge of Stewardship responsibilities and Public disclosure.

NAVI GI will monitor and engage with companies on matters such as strategy, performance, risk, capital structure, and corporate governance of the investee companies. At present,

NAVI GI does not intend to use the services of external service providers such as institutional advisors for discharging the Stewardship responsibilities.

2. Principle 2 - Managing conflicts of interest

The term “conflict of interest” refers to instances where personal or financial considerations may compromise or have the potential to compromise the judgment of professional activities.

A conflict of interest exists where the interests or benefits of the NAVI GI (including its employee, officer or director) conflict with the interests or benefits of its policyholders or the investee company.

NAVI GI will make its best efforts to avoid such conflicts and ensure that any conflicts of interest are resolved in the best interests of its Policyholders. The entire process shall be ensured of arm’s length principle and shall follow detailed processes of approvals at highest levels.

3. Principle 3 - Monitoring of Investee Companies

NAVI GI will be responsible for monitoring performance of all the investee companies. NAVI GI shall undertake a credit analysis by using publicly available information, sell side research, credit rating agencies and industry information.

4. Principle 4 - Intervention with Investee Companies

Since there are no equity investments, intervention with the investee companies will not be applicable. Depending upon the nature of the issue, decision for intervention, if required may be taken by Investment committee and any required escalation of an issue shall be taken to the required and appropriate authority. In exceptional cases, NAVI GI shall devise an exit plan for the investments as per the best interest of the stake holders’.

5. Principle 5: Collaboration with institutional investors

Collective engagement with other institutional investors is most effective manner to engage with the investee companies. Any collaboration with other institutional investors to engage with any investee company shall be applicable only if the NAVI GI has any investment exposure to equity shares of the said investee company.

6. Principle 6: Voting and disclosure of voting policy

NAVI GI aims to use its voting right as part of its engagement policy and will vote accordingly in the best interest of the policyholders & shareholders.

Any voting as per debt holders right shall be undertaken with proper compliance which will be limited to company's investments in debt and fixed income securities.

NAVI GI will undertake active participation and voting on any resolution/proposals of investee companies as per debt holder rights.

7. Principle 7: Reporting of Stewardship rights

NAVI GI will update its activities undertaken for the fulfillment of stewardship responsibilities as part of public disclosure according to the Guidelines issued by IRDAI and as amended from time to time.

This Policy would be reviewed by Audit Committee periodically or as and when there are changes in Investment Philosophy of the Company.

Disclosure and Reporting:

- 1 The Board through the Audit Committee shall ensure that there is effective oversight on the company's stewardship activities and compliance with the codes.
- 2 The Policy shall be updated on the company's website and will be fully complied with the code and regulatory compliance.

Annexure A

Disclosure of voting activities in general meetings of investee companies in which the insurers have actively participated and voted:

Name of the Insurer: _____

Period of Reporting: _____

Meeting Date	Investee Company Name	Type of Meeting (AGM / EGM)	Proposal of Management/ Shareholders	Description of the proposal	Management Recommendation	Vote (For / Against / Abstain)	Reason supporting the vote decision

Place:

Signature of Compliance Officer

Date:

Name:

Annexure B

Annual Certificate of Compliance with regard to status of Stewardship Code principles

Name of the Insurer: _____

Date: _____

Period of Report (FY): _____

We hereby certify that the guidelines given on Stewardship Code for Insurers in India by Insurance Regulatory and Development Authority of India are duly followed and all the principles detailed in the guidelines are duly complied with.

Compliance Officer
(Name and Signature)

Chief Executive Officer
(Name and Signature)