HDFC LIFE INSURANCE COMPANY LTD.

Policy for Exercising Voting Rights

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Version Control

Version #	Prepared /Modified by	Effective From	Date of Approval by Board	Nature of Change
1.0	Investment Front & Mid Office Team	03-May-2017	03-May-2017	New Policy
2.0	Investment Front & Mid Office Team	27-Apr-2020	27-April-2020	Updating of Policy

1.0 INTRODUCTION

HDFC Life Insurance Company Limited (HDFC Life) is a registered insurance company and as a part of its regular business activities invests in equity securities issued by companies (investee company). As one of investment best practices and in line with the Stewardship Policy adopted by the company, the investment team will exercise voting rights attached to these securities through online voting mechanism or at the general meetings of the investee companies in the best interest of the policyholders. This document sets out the principles and guidelines to be followed by HDFC Life while exercising the voting rights under the investment function.

2.0 SCOPE

This note covers the policy framework and principles that need to be followed for exercise of voting rights by HDFC Life in relation to the resolutions of the investee companies. Reference may be made to the Stewardship Policy adopted by HDFC Life for further details regarding the other principles for oversight and engagement with the investee companies.

3.0 POLICY STATEMENT

3.1 Guiding Principles for voting:

Every shareholder (entitlement may differ for holding in DVR shares) of a company is entitled to attend and vote at a meeting by show of hand or/and by poll or/and through online voting mechanism.

HDFC Life will endeavor to vote on all the resolutions / proposals of all the investee companies in HDFC Life's portfolios. HDFC Life will undertake active participation and voting on resolutions / proposals of the investee companies where HDFC Life's holding of the paid-up capital of the investee company is greater than or equal to 3% or the aggregate holding of the investee company's equity is greater than or equal to 3% of HDFC Life's aggregate equity holding.

The investment team shall review all voting proposals of the investee companies for routine as well as non routine items and shall ensure that non routine items like change in the state of incorporation, merger and other corporate restructuring, changes in capital structure, stock options, appointment and removal of directors, etc. are examined in greater detail. The investment team may decide to vote, or to abstain from voting on proposals of the investee

companies taking into account the possible implications of voting or abstention and decisions shall be taken in the best interest of policyholders of HDFC Life.

Any conflicts of interest will be managed as per the rules laid down in the Stewardship Policy.

3.2 Key Proposals for voting and Guiding Principles:

The investment team will exercise its own independent judgment as regards voting decisions on resolutions. In general, the matters coming up for voting by shareholders of the investee companies are on the following points:

a) Corporate Governance matters (including changes in the state of incorporation, merger, acquisition, other corporate restructuring and anti-takeover proposals)
Principle: All proposals will be reviewed to verify if they are value accretive to the shareholders of the investee company and in the best interests of the policyholders of HDFC Life.

b) Changes in Capital Structure
Principle: The proposals for approval to alter the capital structure of the company, such as an increase in authorized capital will generally be supported. However, each proposal shall be evaluated on a case-by-case basis, to determine whether the proposed changes are in the best interest of the shareholders of the investee company.

c) Compensation and Benefits (including proposals on stock options to directors & executives)
Principle: HDFC Life will support such resolutions that incentivize the investee company management towards long-term shareholder value creation.

d) Environment, Social and Corporate Social Responsibilities
Principle: HDFC Life will support measures that have a positive impact on the economy, society and the environment.

e) Board of Directors
Principle: HDFC Life will support the investee company in following good corporate governance norms. HDFC Life will support a large independent board with members having the expertise and qualifications.

f) Other issues

i. Appointment & remuneration of Auditors

ii. Any other issues that may affect the interests as an investee company shareholders

Principle: Auditors' independence, role, proposals relating to non audit relationship, non audit fees and rotation to be considered while voting for auditors.

As a general rule, the decisions on voting will be aimed at promoting the overall growth of the investee companies and, in turn, enhancing the value of their investors.

Proxy Voting

Proxy voting in relation to the resolutions of investee companies, would be exercised with prudence, in accordance with the applicable law and in discussion with the Chief Investment Officer as and when necessary.

4.0 MONITORING BY AUDIT COMMITTEE

The Audit Committee of HDFC Life shall maintain an oversight on the voting decisions of HDFC Life. The decisions of the investment team to vote in favor of / or against a particular resolution or abstain from voting, and the reasons thereto, will be reviewed on a quarterly basis by the Audit Committee for compliance with the rules set out in the Stewardship Policy and the Voting Policy of HDFC Life.

The Investment Committee may also refer some proposed resolutions of the investee companies, to the Audit Committee in cases which give rise to an actual or potential conflict of interest, as outlined in the Stewardship Policy adopted by HDFC Life.

5.0 EFFECTIVE DATE

The Policy Effective date will be from the date of its approval in the Board Meeting.

6.0 APPROVALS

The Investment Committee will be authorized to approve any change in the Voting Policy. The Investment Committee will also have an oversight over the voting decisions of the company.