

Voting Policy

1. Background

As an Insurer, AVIVA Life Insurance Company India Limited (hereinafter referred to as “Aviva”) has fiduciary responsibility to act in the best interest of the policyholders. This responsibility includes exercising voting rights attached to the securities of the investee companies in the best interest of the Policyholders. As an institutional investor, there is an implicit responsibility cast on us to protect the interest of minority shareholders and ensure corporate governance standards are met by the investee company. IRDA technical guide on internal/concurrent Audit of Investment functions of insurance companies (2013) requires insurance companies to have a procedure for exercise of voting rights and seeking representation on the boards of investee companies. In order to comply with IRDAI Regulation and the above responsibilities, the following policy is incorporated in the Investment policy.

2. Coverage

The policy will be applicable to all our rights obtained with reference to investments made by Aviva in equity/debt of any company. It is noted that voting rights will generally arise from our equity holding but there could be instances where debt holders’ approval are sought by the companies. Examples are when debenture covenants/charges are proposed to be modified.

Generally Aviva invests in companies which have acceptable/effective corporate governance. Accordingly, a decision to invest is generally an endorsement of sound management practices of the investee company. We also look for effective boards that can safeguard shareholder’s interests, set the course for the company’s values and standards and have the right skills and experience to take the company’s strategy forward.

If the shareholding of Aviva is insignificant (less than 1% of the investee company’s equity share capital and less than 2% of equity AUM of Aviva for proposals related to equity holding; less than 5% of the total outstanding debt of the investee company and 2% of debt AUM of Aviva for proposals related to debt holding) or the matters are routine, Aviva may generally not attend/vote. On other matters or where Aviva holding is significant, Aviva may generally attend and vote only on specified resolutions, which is important from a corporate governance standpoint and/or Aviva’s interest as a shareholder and its policyholders is prejudiced. Such resolutions will mainly include but may not be limited to the following:

- Acquisitions, mergers, takeovers, divestiture of assets
- Increase/Decrease in equity capital (preferential allotments, dilution etc)
- Appointment and/or removal of directors
- Inter-Corporate transactions
- Corporate Social Responsibilities
- Significant related party transactions
- Significant changes in Memorandum/Articles of Association especially which can impact revenue streams (e.g. changes in line of business)

3. Voting Principle and Philosophy

Aviva will exercise its discretion after giving due consideration to various factors such as:

- Best interest of Aviva’s policyholders
- Protect shareholder value over longer term
- Best interest of minority shareholders

In cases where investments are in group companies or where the investee Companies are the policyholders of Aviva, the voting decisions should demonstrate our commitment to the best interests of our policyholders / other minority shareholders are upheld and such decisions have been taken without any conflict of interest. At times, abstaining may also be an option to meet the above objectives. Aviva may seek and consider opinions of third party service providers on proxy voting advisory/corporate governance.

4. Seeking representations on the boards of companies

AVIVA would not normally seek representation on the Boards of the investee companies unless Aviva holds more than 5% holding in the investee company. Whenever Aviva holding is above 5% in an investee company, the CIO will cause a report be prepared and present before the investment committee along with the recommendations of the voting committee (composition explained below) on the proposed stand on seeking representation.

AVIVA Life Insurance will generally follow the voting policy as detailed above, however, if the relevant facts and circumstances so warrant, it may act differently to protect the interests of its Policyholders.

5. Authority and Responsibility

Primary responsibility for oversight of our policy lies with the Investment committee at Aviva Life Insurance. For day to day operation of this policy, IC delegates the responsibility of

- Communication of the ballots and ensuring casting of ballot to - Mid Office
 - Making recommendations of the vote and communicating it to the voting committee to – CIO
- Voting committee shall consist of CIO, CFO and the General Counsel. The final decision has to be unanimously agreed between CIO, CFO and the General Counsel. In case of lack of unanimity, the matter will be referred to the CEO and his/her views will be final.

6. Reporting

Mid office shall present a quarterly report of resolutions from companies where Aviva has/had voting rights, the voting decision taken and its rationale before the Investment committee.

7. Review and control

The voting guidelines and the actual exercise of votes will be reviewed periodically by the Investment committee.