



**NIPPON LIFE
INSURANCE**

A RELIANCE CAPITAL COMPANY

Reliance Nippon Life Insurance Company Limited

VOTING POLICY

January 2024

| History Sheet | | |
|---------------|-------------|-------------|
| Date | Particulars | Approved By |
| 29/01/2015 | Ver 1.0 | Board |
| 22/04/2016 | Ver 2.0 | Board |
| 19/07/2017 | Ver 3.0 | Board |
| 26/10/2018 | Ver 4.0 | Board |
| 24/04/2019 | Ver 5.0 | Board |
| 30/04/2020 | Ver 6.0 | Board |
| 30/04/2021 | Ver 7.0 | Board |
| 09/05/2022 | Ver 8.0 | Board |
| 27/01/2023 | Ver 8.1 | Board |
| 31/01/2024 | Ver 9.0 | Board |

1. Background:

By virtue of holding shares in a number of listed companies, Reliance Nippon Life Insurance Company (RNLIC) become part of the companies' minority shareholders group. As a corporate shareholder, representing the financial interest of our stakeholders, including vast number of our policyholders, we are required to act responsibly regarding exercise of our rights as a shareholder. The principal right of a shareholder is the right to cast votes, in proportion to the shareholdings, at the AGMs/ EGMs. The issues which may require our intervention would include corporate governance issues, transparency, strategic shifts, risk management, changes in the promoter groups etc.

2. Voting Policy Philosophy:

Proxy voting is the paramount, fiduciary duty of an Insurance company on behalf of the policy holder.

- This policy is applicable for equity, alternatives and bonds.
- RNLIC will take decision as to how to vote on a particular proposal in a manner that is in the best interests of the policy holders.
- This Policy is designed to ensure that proxies are voted in an appropriate manner and should complement the RNLIC's investment policies and procedures regarding its general responsibility to monitor the performance and/or corporate events of companies which are issuers of securities held by schemes of the Fund.
- The RNLIC's guiding principles in deciding on voting are to make decisions that:
 - (i) Favour proposals that will tend to maximize the issuer company's shareholder value; and
 - (ii) Are not influenced by conflicts of interest.

RNLIC will generally vote with the issuer company's management on routine matters. With respect to non-routine matters as detailed in Section 7, the financial impact will be analyzed and the proxy vote will be on a case-by-case basis, in the best interest of the policy holders. While arriving at the decision to vote, views of Fund Managers, Research Analysts and other sources may be considered.

3. Duties & Responsibilities:

The Proxy Voting Committee (PVC) has been constituted by Board Investment Committee. The proxy voting committee will have same members as the Executive Committee of Investments (ECI). All Decisions of the Proxy Voting Committee will be taken with simple majority in favor.

Role of the Proxy Voting Committee:

- The Committee will be responsible for implementation and execution of the policy. It will evaluate and maintain the proxy voting procedures and guidelines contained in the policy, evaluate proposals and issues that are not covered by the policy and consider changes to the policy.

Role of the Investment Department:

- The Investment team shall be responsible for the ongoing monitoring of the investee companies, for engaging with the management of the investee companies and for identifying situations which require intervention in the investee companies and suggest the manner of such intervention.

4. Voting Policy Guidelines:

RNLIC will compulsorily vote in cases where:

1. The investee company's exposure is more than 1% of the asset class AUM of RNLIC

or

2. RNLIC holds more than 1% of the paid-up capital of the investee company

However, RNLIC may voluntarily participate and vote if we believe any resolutions/proposals are non-routine and may have an impact on the value of our investment in the investee company.

5. Procedure to be followed:

i. All decisions regarding Proxy voting would be taken as per the authority matrix below:

| | FM | Head | CIO | PVC |
|---|--|--|--|--|
| 1.Voting as per the advice of the Proxy Advisory Firm | | | | |
| A. Routine | <= 1% of RNLIC AUM or <= 1% of paid-up capital | Between 1% - 2% of RNLIC AUM or Between 1% - 2% of paid-up capital | >= 2% of RNLIC AUM or >= 2% of paid-up capital | - |
| B. Non-Routine | <= 0.5% of RNLIC AUM or <= 0.5% of paid-up capital | Between 0.5% - 1% of RNLIC AUM or Between 0.5% - 1% of paid-up capital | Between 1% - 2% of RNLIC AUM or Between 1% - 2% of paid-up capital | >= 2% of RNLIC AUM or >= 2% of paid-up capital |
| 2.Voting against the advice of the Proxy Advisory Firm | | | | |
| | - | - | - | All matters |
| 3.Conflict of Interest | | | | |
| | - | - | - | All matters |
| 4.Abstain | | | | |
| | - | All matters | Reporting | |

Conflict of Interest and Non-Routine Matters are defined in Points 6 and 7 respectively

Note: 1) Respective asset RNLIC AUM & 2) % of paid-up capital of the investee company.

- ii. All notices for which a decision needs to be made regarding voting would be sourced from the Custodian or other specialized agencies providing this service.
- iii. RNLIC will consider the opinion of proxy advisory firms such as IIAS etc. but the ultimate decision as to the way RNLIC representatives/proxies will vote, will rest with the Investment Department or the Proxy Voting Committee depending on the ownership threshold.
- iv. RNLIC will analyze various economic and strategic factors in making the final decision on a merger, acquisition, or any other corporate restructuring proposals
- v. Fund holding for the purpose of voting will be as of end of preceding quarter
- vi. The team may seek guidance from the Proxy Voting Committee in matters pertaining to intervention in investee companies or potential conflict of interest.
- vii. In event of requirement of a physical letter or NOC or any other requirement, Heads may execute the same.

- viii. Heads to place all voting decision before the ECI for noting.
- ix. RNLIC will generally Abstain from voting for the following reasons –
 - The notices were received late (less than 4 days) from the investee Company or any service provider. However, in such cases RNLIC will attempt to complete voting on a best effort basis.
 - Proxy voting service is not offered by the Service Provider for any reason in a particular security.
 - If approval of the Proxy Voting Committee, if required, is not obtained one day prior to the Custodian deadline. However, in such cases RNLIC will attempt to complete voting on a best effort basis.
 - If RNLIC’s exposure is lower than the limit mentioned in Point 4. Voting Policy Guideline.

6. Conflict of Interest:

RNLIC recognizes that there may be a potential conflict of interest when it votes on a related party as defined in the Company’s Act. In case of such entities, Investment Department will rely on the Proxy Voting Committee’s guidance.

7. Routine & Non-Routine Matters:

Non- Routine matters are defined below

| No. | Type of Agenda | Criteria |
|-----|--|--|
| 1 | Merger, business transfer, company split, etc. | <ul style="list-style-type: none"> • Cases in which the reorganization, etc. is not considered to contribute to the improvement of corporate value • When information regarding the impact on corporate value is not disclosed and the necessity of the reorganization, etc. cannot be judged. |
| 2 | Issuance of new shares, capital increase, capital reduction, expansion of authorized capital, etc. | <p>Issuance of new shares:</p> <ul style="list-style-type: none"> • No clear funding needs • Issue price is not reasonable. • There is concern about significant dilution of shares. <p>Capital reduction:</p> <ul style="list-style-type: none"> • All cases <p>Expansion of authorized capital:</p> <ul style="list-style-type: none"> • Unclear use of funds or purpose of change • The total number of shares authorized to be issued will be at least twice the current number of shares authorized to be issued, or at least three times the number of shares issued. • There is concern about significant dilution of shares. |
| 3 | Appointment of Directors | <ul style="list-style-type: none"> • Losses for the last three consecutive fiscal years |
| 4 | Appointment of Auditors | <ul style="list-style-type: none"> • Potentially damaging to shareholder interests • Financial statements, audit reports, etc. are not reported at the annual general meeting |
| 5 | Increase in remuneration framework for directors, bonuses for executive officers | <ul style="list-style-type: none"> • Losses for the last three consecutive fiscal years • Potentially damaging to shareholder interests |
| 6 | Share-based remuneration | <ul style="list-style-type: none"> • Granted to persons other than directors, and employees, including subsidiaries and affiliates • Dilution of more than 5% of outstanding shares |
| 7 | Related party transaction | <ul style="list-style-type: none"> • Inter corporate loan to subsidiary, group company or parent company. |

| No. | Type of Agenda | Criteria |
|-----|---|---|
| 8 | Amendment of Article of Association/Memorandum of Association | <ul style="list-style-type: none"> • Potentially damaging to shareholder interests • Inappropriate from the viewpoint of corporate governance |

All other matters, will be considered as Routine Matters.

8. Oversight, resolving issues, Reporting and Review of this Policy:

- i) Proxy Voting Committee shall guide and oversee the application and implementation of this Policy.
- ii) In case of any doubt or any issue or matter arising hereunder including any conflict of interest, the same shall be resolved through the proxy voting committee.
- iii) Reports in respect of voting decisions shall be periodically provided to the ECI. Further, management will present voting details to the Board Investment Committee.
- iv) Declarations in line with regulations will be made within the stipulated timelines.
- v) RNLIC may review the Policy once every year, to ensure that it continues to be consistent with the insurer's guiding principles. Such review shall be placed before the Board Investment Committee of RNLIC.

9. Legal Liability:

- i) The principles and positions reflected in the Policy are designed to guide the RNLIC in voting, and not necessarily in making investment decisions.
- ii) RNLIC shall not be under any liability on account of anything done or suffered by it in good faith under this Policy or in accordance with or in pursuance of any request or advice of the Board or its duly authorized agent(s) or delegate(s).
