

STEWARDSHIP POLICY

Stewardship Code of Aegon Life Insurance Co Ltd.

Stewardship aims to promote the long-term success of Investee companies in such a way that the ultimate providers of capital also prosper. Effective stewardship benefits investee companies, Insurers / Investors and enhances the quality of capital markets.

Aegon Life Insurance Co Ltd (referred as 'Aegon Life') has adopted this Stewardship Code pursuant to the approval of the *Board of Directors* of Aegon Life and is effective from September 21, 2017.

1. Key Stewardship Responsibilities

1.1. Primary Stewardship Responsibilities: Aegon Life shall:

- a) take into consideration, in the investment process, investee companies' policies and practices on environmental, social and governance matters;
- b) take into account the corporate governance practices of investee companies, when undertaking buy and sell decisions;
- c) enhance shareholder/investor value through productive engagement with investee companies;
- d) vote and engage with investee companies in a manner consistent with the best interests of its shareholders/investors;
- e) influence the development of corporate governance standards and corporate responsibility;
- f) communicate environmental, social and governance principles to investee companies if appropriate as per intervention policy and escalation policy as mentioned hereinafter;
- g) be accountable to shareholders/investors within the parameters of professional confidentiality and regulatory regime; and
- h) Maintain transparency in reporting its voting decisions and other forms of engagement with investee companies.

1.2. Discharge of Stewardship Responsibilities: Aegon Life shall discharge its stewardship responsibilities through:

- a) voting on shareholders' resolutions, with a view to enhance value creation for the shareholders/investors and the investee companies;
- b) advocating for responsible corporate governance practices, as a driver of value creation; and
- c) Investing as per Responsible Investment Policy guidelines adopted by Aegon Life in India.

1.3. Responsibility for oversight of the stewardship activities:

The investment committee of Aegon Life shall ensure that there is an effective oversight of our stewardship activities.

1.4. Disclosure of Stewardship Code:

This Stewardship Code and amendment thereto, shall be disclosed on the website of Aegon Life. Any amendment or modification to this Stewardship Code shall be disclosed on the website.

- 1.5. Disclosure of Stewardship Activities: Aegon Life shall also disclose the requisite compliance and non-compliance with the Stewardship Code and Stewardship Principles.

2. Managing Conflict of Interest

- 2.1. 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 Aegon Life (including its employee, officer or director) conflict with the interests or benefits of its shareholder/investor or the investee company.
- 2.2. Avoid conflict of interest: The employees, officers and Directors of Aegon Life shall undertake reasonable steps to avoid actual or potential conflict of interest situations.
- 2.3. Identifying conflict of interest: While dealing with investee companies, Aegon Life may be faced with a conflict of interest, *inter alia*, in the following instances, where:
- a) Aegon Life and the investee company are part of the same group; or
 - b) the investee company is partner or holds an interest, in the overall business or is a distributor for Aegon Life;
 - c) a nominee of Aegon Life has been appointed as a director or a key managerial person of the investee company;
- 2.4. Manner of managing conflict of interest:
- a) All investments under clause 2.3 shall be made with prior approval of investment committee of Aegon Life
 - b) On *a quarterly* basis, every employee who are directly connected with Investment activity of Aegon Life shall submit a statement of disclosure as per Investment code of conduct adopted by Aegon Life to the compliance officer.
 - c) Rationale for voting on each shareholder resolution as per voting policy of Aegon Life shall be recorded.
 - d) Save as in the ordinary course of business, the members of the Investment Committee shall not engage with the investee companies outside the scope of their duties under the Stewardship Code.

3. Monitoring of Investee Companies

3.1. Aegon Life shall monitor all investee companies.

3.2. Manner of Monitoring:

- a) The Committee shall be responsible for the supervision of the monitoring of the investee companies’ business strategy, performance, risk, capital structure, leadership effectiveness, succession planning, remuneration, and corporate governance performance, cultural, social and environmental matters.
- b) Aegon Life may use publicly available information, sell side research and industry information and shall engage with the investee companies’ investor analyst calls at least once in Financial Year, to monitor the investee companies.

4. Active Intervention in the Investee Company

4.1. Applicability

- a) Aegon Life shall intervene in the acts/omissions of an investee company, in which it: (1) hold at least 1%of the share capital of the investee company
- b) Aegon Life shall intervene if, in its opinion any act/omission of the investee company is considered material on a case to case basis, including but not limited to insufficient disclosures, inequitable treatment of shareholders, non-compliance with regulations, performance parameters, governance issues, related party transactions, corporate plans/ strategy, CSR and environment, or any other related matters.

4.2. The decision for intervention shall be decided by the considering the following broad parameters:

- a) Aegon Life shall not generally intervene if the threshold is below the prescribed level or investment is already earmarked for divestment.
- b) Aegon Life may consider intervening in matters below the thresholds; if in the reasonable opinion of CIO / Other Investment committee member issue involve may adversely impact the overall corporate governance.

5. Collaboration with other Institutional Investors

5.1. Aegon Life shall consider collective engagement with *institutional investors and proxy advisory firms* as approved by Board on a general basis and in particular, when it believes a collective engagement will lead to a higher quality and/or a better response from the investee company. Aegon Life may approach, or may be approached by, other Asset Managers, including insurers, mutual funds, or other type of shareholders to provide a joint representation to the investee companies to address specific concerns.

5.2. Aegon Life shall also, where permitted, collaborate with other shareholders, professional associations such as [*General Insurance Council of India, Life Insurance Council, Association of Mutual Funds in India, General Insurers' Public Sector Association, and Proxy advisory firms*]; regulators such as IRDA, Pension Fund Regulatory and Development Authority, SEBI, and other policy makers to solicit views.

5.3. An illustrative list of matters which require collaborative engagement may include appointment or removal of directors, executive remuneration, change in the nature of business, mergers and acquisitions, divestment, matters dealing with inequitable treatment of the shareholders, and related party transactions.

5.4. Aegon Life shall determine individually their position on any issue requiring collaborative engagement and shall not act or be construed as acting as a 'person acting in concert' with other shareholders.

6. Voting and disclosure of voting activity

6.1 Aegon Life shall exercise their voting rights and vote.

6.2 Voting guidelines adopted as per investment policy decisions shall be made in accordance with our voting policy, which is a per mentioned in Investment Policy.

6.3 Aegon Life shall also consider several factors, including recommendations made by Proxy Advisory Firms, while voting (if any). Aegon Life shall vote against resolutions which, are not consistent with our voting policy.

6.4 Attendance at General Meetings: Aegon Life shall attend general meetings of the investee companies (annual as well as any extra ordinary shareholders' meetings) where appropriate, and to the extent possible, actively speak and respond to the matters being discussed at such meetings.

6.5 Aegon Life shall be required to record and disclose specific rationale supporting its voting decision (for, against or abstain) with respect to each vote proposal.

6.6 voting policy of Aegon Life made available to our website www.aegonlife.com/votingpolicy

7. Reporting of Stewardship Activities

- 7.1. Aegon Life shall issue a report detailing the compliances (with justification of any non-compliance) with the Stewardship Principles and the requirements set out in this Stewardship Code, including how conflicts were managed (if any), extent of monitoring of investee companies, any intervention undertaken, collaboration undertaken and cumulative voting activity and outcome of each of these actions, *for the last quarter* within 60 working days of the ending of the *quarter*. The report shall be made public and made available to on our website www.aegonlife.com
- 7.2. Aegon Life shall also report its compliance status with the Stewardship Principles in the format issued by the IRDA.