



HDFC LIFE INSURANCE COMPANY LIMITED

Material Subsidiary Policy

Version 1.1

Effective from April 01, 2019

Owner Department: Secretarial -

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MATERIAL SUBSIDIARY POLICY

1. About the Company

HDFC Life Insurance Company Limited ('HDFC Life') is a public limited Company incorporated under the erstwhile Companies Act, 1956 on August 14, 2000. It has been registered as an insurer with the Insurance Regulatory and Development Authority of India ('IRDAI') for undertaking Life Insurance Business.

2. Purpose

This Material Subsidiary Policy ('Policy') has been framed in accordance with the provisions of Chapter II read with Regulation 16(1)(c), Regulation 24 and Regulation 46(2)(h) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Regulations').

3. Scope

This Policy shall be used to determine the Material Subsidiaries of HDFC Life Insurance Company Limited ('HDFC Life').

4. Definitions

Unless otherwise stated, all terms appearing in this Policy shall have the same meaning assigned to them in the Regulations from time to time.

5. Identification of 'Material Subsidiary'

A subsidiary of the Company will be considered to be a 'Material Subsidiary' if a subsidiary company's income or net worth exceeds ten percent of the consolidated income or net worth, as the case may be, of HDFC Life in the immediately preceding accounting year in accordance with the annual audited financials of the relevant Financial Year.

6. Governance Framework

The below mentioned framework, as prescribed in the Regulations, must be followed in case any unlisted subsidiary of HDFC Life has been identified as 'Material' in line with Para 5 of this Policy:

- (i) Audit Committee of HDFC Life shall review the financial statements, with particular attention to the Investments made by the unlisted Subsidiary on a quarterly basis;
- (ii) The minutes of the meetings of the Board of Directors of the unlisted Subsidiary shall be placed before the meeting of Board of Directors of HDFC Life on a quarterly basis;
- (iii) The unlisted Subsidiary shall be required to quarterly bring to the notice of the Board of Directors of HDFC Life a statement of all its significant transactions and arrangements;

For the purpose of this regulation, the term “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year

- (iv) HDFC Life shall not dispose of shares in such Material Subsidiary which would result in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the subsidiary, without passing a Special Resolution in a General Meeting, except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved
- (v) HDFC Life shall obtain prior approval of shareholders by way of a Special Resolution, for selling, disposing or leasing of assets, amounting to more than twenty percent of the assets of such Material Subsidiary on an aggregate basis during a financial year unless the sale /disposal/lease is made under a scheme of arrangement duly approved by a court / tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved;

Explanation: If any such Material Subsidiary is based in overseas jurisdiction, then the above shall be done subject to legal and regulatory provisions in such jurisdiction.

7. Obligations of Listed Subsidiaries

If any Subsidiary of HDFC Life is listed on any recognized Stock Exchange in India, the provisions contained in Para 6 would apply to the listed Subsidiary to such extent as its unlisted subsidiaries are concerned.

8. Review

This Policy is subject to review by the Board of Directors atleast once in a year.

9. Limitation and Amendments

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Regulations or statutory enactments, or rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

10. Disclosure

The Policy for determining material subsidiaries shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report.