



## **HDFC LIFE INSURANCE COMPANY LIMITED**

### **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('UPSI')**

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**CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF  
UNPUBLISHED PRICE SENSITIVE INFORMATION**

**1. Purpose**

The SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**SEBI PIT Regulations**") mandates every listed company to put in place a code of practices and procedures for fair disclosure of unpublished price sensitive information ("UPSI") which would be followed by the Company for disclosure of UPSI. The PIT Regulations further require that the code should be based on the principles prescribed in Schedule A of the SEBI PIT Regulations, without diluting the provisions contained in the SEBI PIT Regulations.

In the above context, HDFC Life Insurance Company Limited ("HDFC Life" or "Company") has formulated this Code of Practices and Procedures for Fair Disclosure of UPSI ("Code").

**2. Terms and Definitions**

- A. Unpublished price sensitive information ("UPSI") means any information, relating to HDFC Life or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:
- a) financial results;
  - b) new business margins, embedded value;
  - c) dividends;
  - d) change in capital structure;
  - e) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
  - f) change in key managerial personnel other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;
  - g) change in rating(s), other than ESG rating(s);
  - h) fund raising proposed to be undertaken;
  - i) agreements which may impact the management or control of the company;
  - j) fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, or director of the company whether occurred within India or abroad;
  - k) resolution plan/ restructuring or one time settlement in relation to loans/borrowings from banks/financial institutions;
  - l) admission of winding-up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;
  - m) initiation of forensic audit by the company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report;
  - n) action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the

- company;
- o) outcome of any litigation(s) or dispute(s) which may have an impact on the company;
- p) giving of guarantees or indemnity or becoming a surety for any third party, by the company not in the normal course of business;
- q) granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

‘Fraud’ shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

‘Default’ shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For identification of events enumerated in clause g to q as UPSI, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be specified by the Board from time to time and materiality as referred at paragraph B of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable.”

- B. The term “Insiders” and “Immediate Relative” shall have the same meaning as defined under the SEBI PIT Regulations.
- C. Words and expressions used but not defined in this Code shall have the same meaning assigned to them in the SEBI PIT Regulations or the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and the rules and regulations made there under, as the case may be or in any amendment thereto.

### **3. Scope**

This Code shall be applicable and binding on all the employees, officers, directors and those persons authorized to speak on behalf of the Company.

This Code shall be read with the Policy for ‘Determination of Materiality of Event / Information’ under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

### **4. Principles of Fair Disclosure**

To adhere to the principles as mentioned in Schedule A to the PIT Regulations, HDFC Life shall ensure the following:

1. Prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available;
2. Uniform and universal dissemination of UPSI to avoid selective disclosure;

3. Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available;
4. Appropriate and fair response to queries on news reports and requests for verification of market rumors by Regulatory Authorities;
5. The information shared with analysts and research personnel is not UPSI;
6. Develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made; and
7. Handling of all UPSI on a need-to-know basis.

## **5. Chief Investor Relations Officer**

Senior Vice President- Investor Relations & Business Planning shall act as Chief Investor Relations Officer ("CIRO"), who shall along with the Company Secretary would deal with dissemination of information and disclosure of UPSI to the stock exchanges, analysts, shareholders and media.

The CIRO shall take prior approval of the Managing Director & CEO or in his / her absence approval of Chief Financial Officer and the Company Secretary before dissemination/ disclosure of any UPSI to outside parties.

No employee shall respond under any circumstances to inquiries from the stock exchanges, the media or others, unless authorized to do so by the Managing Director & CEO or in his/ her absence by Chief Financial Officer along with the Company Secretary.

## **6. Disclosure of Information**

1. The CIRO shall ensure:
  - a. prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available;
  - b. uniform and universal dissemination of UPSI to avoid selective disclosure; and
  - c. prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to ensure that this information is made generally available.
2. Under certain circumstances, the Company may keep material information as specified under the Regulations confidential, for a limited period of time, because immediate disclosure may compromise certain strategic business opportunities of the Company or may not be due to third-party confidentiality restrictions or uncertainty of events, or the event has still not fully concretized. The determination of when to disclose Material Information shall be made by the Managing Director & CEO or in his/ her absence by the Chief Financial Officer along with Company Secretary.
3. It is clarified that information to be termed as UPSI should be specific and intended to be generally made available at a point of time to ensure it does not lead to creation of a false market in securities. For the purpose of disclosure, CIRO may consult such officials within the Company to ensure the correctness and credibility of the UPSI.
4. The CIRO shall authorise disclosure or dissemination of UPSI:
  - a. by way of intimation to the stock exchanges, such that further disclosure can be

- made from the stock exchange websites;
  - b. on the official website to ensure official confirmation and documentation; and
  - c. in any other manner as may be decided by the CISO to facilitate uniform and universal dissemination of UPSI.
5. The CISO shall also be responsible for overseeing the contents of UPSI to be posted on the website of the Company for the purposes of this Code and shall give appropriate directions for the publication of the same. No other person shall be authorised to post any UPSI in the absence of any directions from the CISO.
  6. To facilitate timely disclosure of UPSI, all employees, Designated Persons or Insiders will be required to communicate any UPSI to the CISO as soon as credible and concrete information comes into being.

## **7. Information to be shared on a need-to-know basis**

All employees, directors and insiders of the Company are required to ensure that handling of all UPSI, including onward communication, is done on a need- to-know basis and in line with the any other applicable codes, policies and procedures of the Company, including, specifically, this Code and the Insider Trading Code.

The directors/ employees of the Company shall not discuss the matters or developments regarding the Company which in any way relate to UPSI with any other persons, except that are required to be disclosed in performance of his or her duties or under applicable laws or regulations or in legal proceedings. To protect UPSI from disclosure, the directors/ employees of the Company:

1. Should not discuss UPSI in public places where UPSI may be overheard (e.g., elevators, restaurants, airplanes, taxicabs) or participate in, host or link to Internet chat rooms, online social networking sites, newsgroup discussions or bulletin boards which discuss matters pertaining to the Company's activities or its securities;
2. Should not carry, read or discard UPSI in an exposed manner in public places;
3. Should not discuss UPSI with any other persons, except as required in performance of his or her duties;
4. Shall advise the other persons with whom they are meeting where UPSI may be disclosed, before the meeting, that they must not divulge the UPSI; and
5. Should not deal in the securities of the Company until the UPSI is publicly disclosed.

## **8. Sharing of UPSI for legitimate purpose**

The UPSI may be shared by an Insider(s) only in furtherance of the legitimate purpose(s) which shall include the following;

1. Sharing of UPSI in the ordinary course of business by any Insider with existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants.
2. Sharing of UPSI where such communication is in furtherance of performance of duty (ies);
3. Sharing of UPSI for discharge of legal obligation(s).
4. Sharing of UPSI for any other genuine or reasonable purpose as may be determined by

the CISO of the Company.

5. Sharing of UPSI for any other purpose as may be prescribed under applicable laws / rules / regulations from time to time

Provided that such sharing should not be carried out to evade or circumvent the prohibitions of SEBI PIT Regulations.

Notwithstanding the above, other provisions / restrictions as prescribed under the PIT Regulations or any other law for the time being in force in this behalf, as may be amended from time to time, shall be observed.

Any person who is in receipt of UPSI for a "Legitimate Purpose" shall be considered as an "Insider" for purposes of this Code and due notice shall be given to such person(s) to maintain confidentiality of such UPSI and shall refrain from trading/ dealing in securities of the Company, whether directly or indirectly, while in possession of UPSI.

## **9. Unintentional/ Inadvertent Disclosure**

In the event the Company makes an unintentional disclosure of material information as specified under the Listing Regulations, to public or any section or member(s) of public, it shall forthwith take steps to ensure that the same is disclosed to the stock exchanges immediately.

Further, if the Company becomes aware that there has been an inadvertent disclosure of such information, it should immediately inform the CISO, who in consultation with Managing Director & CEO or in his/ her absence Chief Financial Officer and the Company Secretary, shall evaluate the matter and take appropriate steps.

## **9A. Contacts with Financial Analysts, Investors and the Media**

The Company communicates with its institutional shareholders through meetings with analysts and discussions between fund managers and management. The Company also participates at investor conferences from time to time. All interactions with institutional shareholders, fund managers and analysts are based on generally available information that is accessible to the public on a non-discriminatory basis.

The main channel of communication to the shareholders is through the annual report. Details relating to quarterly performance and financial results are disseminated to the shareholders through press releases and uploaded on the Corporation's website. Briefings are given to update the market after each quarterly results are announced through group meetings or teleconference.

Meetings with investors (bilateral and general) are being held to ensure that the investment community receives a balanced and complete view of the Company and its subsidiaries' performance, while always observing applicable rules concerning selective disclosure, equal treatment of shareholders and insider trading. Individual meetings will also be held with the institutional shareholders, fund managers and analysts to share generally available information.

The Company shall ensure that immediately after such meet/ call, transcripts or records are made of proceedings of meetings with analysts and other investor relations conferences and such transcripts/ records are uploaded on the official website of the Company to ensure

official confirmation and documentation of disclosures made. The official news releases are also displayed on the said website.

**9B. Market Rumours**

The Company shall not comment, affirmatively or negatively, on market rumours. Should a stock exchange or any regulatory authority request that the Company make a definitive statement in response to a market rumour that is causing significant volatility in the securities of the Company, the C IRO who in consultation with Managing Director & CEO or in his/ her absence Chief Financial Officer and the Company Secretary shall consider the matter and content of the Company's response and take appropriate steps.

**10. Digital Database of recipient of UPSI**

The Company shall maintain a structured digital database containing the nature of UPSI, names such person who have shared the information and also names of such persons or entities as the case may be with whom information is shared under the PIT Regulations, which shall contain the Permanent Account Number (PAN) or any other identifier authorized by law, if PAN is not available. Further, wherever required the Compliance Officer shall be authorized to seek such other details as he may deem fit in this regard. The database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of such database.

**11. Amendments and Review**

This Policy is subject to review by the Board of Directors at least once a year.

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