



**HDFC LIFE INSURANCE COMPANY LIMITED \***

## **Material Subsidiary Policy**

### **Version 1.0**

**Owner Department:** Compliance & Legal

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\* Name of the Company has been changed from "HDFC Standard Life Insurance Company Limited" to "HDFC Life Insurance Company Limited" vide Certificate of Incorporation pursuant to change of name dated January 17, 2019 issued by Ministry of Corporate Affairs, Mumbai. Hence all references to "HDFC Standard Life Insurance Company Limited" in this document should be read as "HDFC Life Insurance Company Limited".

**Version History**

<b>SR. NO.</b>	<b>TYPE</b>	<b>VERSION</b>	<b>VERSION DATE</b>	<b>REMARKS</b>
1	Material Subsidiary Policy	Version 1.0	Aug 16, 2017	Adopted as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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## **1. About the Company**

HDFC Standard 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. Effective Date**

This Policy will come into effect from the date of listing of the equity shares of the Company on the Stock Exchanges.

## **4. Scope**

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

## **5. 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.

## **6. 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 twenty 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.

## **7. 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) An Independent Director of HDFC Life shall be identified to be appointed as a Director on the Board of an unlisted Material Subsidiary incorporated in India;
- (ii) 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;
- (iii) 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;
- (iv) 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;
- (v) 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;
- (vi) 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;

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.

## **8. 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.

## **9. Review**

This Policy is subject to review by the Board of Directors once in two years or earlier, if necessary, or if required due to regulatory requirements.

## **10. 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.

## **11. 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.