

ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

Policy for determining material subsidiaries

Introduction

Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations) requires a company to formulate a policy to determine its “Material subsidiaries”.

This Policy sets out the criteria for determination of material subsidiaries of the Company and provides the framework for such determination in line with the requirements of the Regulation 16 and Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. Definitions

“**Audit Committee**” means the Audit Committee of the Board constituted by the Board of Directors of the Company, from time to time.

“**Board of Directors**” or “**Board**” means the Board of Directors of ICICI Prudential Life Insurance Company Limited, as constituted from time to time.

“**Company**” means ICICI Prudential Life Insurance Company Limited.

“**Independent Director**” means a Director of the Company, as defined under the Companies Act, 2013 and who also fulfills the criteria of independence as stipulated under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

“**Policy**” means policy on material subsidiaries.

“**Significant transaction or arrangement**” means any individual transaction or arrangement that exceeds or is likely to exceed ten per cent 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.

“**Subsidiary**” means a subsidiary as defined under the Companies Act, 2013 and the rules made thereunder.

2. Material subsidiary

A subsidiary shall be considered a material subsidiary if any of the following conditions are satisfied:

- i. net-worth of the subsidiary exceeds 10% of the Company's consolidated net-worth in the immediately preceding accounting year; or
- ii. income of the subsidiary exceeds 10% of the Company's consolidated income in the immediately preceding accounting year.

3. Corporate governance requirements with respect to subsidiary

- i. The Audit Committee of Board of the Company shall review the financial statements, and the investments made by the unlisted subsidiary companies on a quarterly basis.
- ii. The minutes of the board meetings of the unlisted subsidiary companies of the Company shall be placed before the Board of the Company on a quarterly basis.
- iii. A statement of all significant transactions and arrangements entered into by the unlisted subsidiary company shall be placed before the Board of the Company.
- iv. The Company shall obtain a prior approval of its shareholders by way of special resolution to:
 - a. Dispose-off the shares held in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or cease to exercise the control over the subsidiary;
 - b. sell, dispose and lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year.

However, the above will not apply if the divestment, sale, disposal or 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 recognised stock exchanges within one day of the resolution plan being approved.
- v. At least one independent Director of the Company shall be a Director on the Board of directors of an unlisted material subsidiary, whether incorporated in India or not.
Explanation- For the purpose of this sub clause, the term "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- vi. The unlisted material subsidiary of the Company, incorporated in India, shall undertake secretarial audit and shall annex with the Company's annual report, a secretarial audit report, given by a company secretary in practice, in specified form.

4. Listed subsidiary

If the Company at any time has a listed subsidiary which is itself a holding company, the provisions of Regulation 24 of the listing regulations relating to subsidiary companies shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

5. Disclosures and review

The Policy for determining material subsidiaries shall be disclosed on the Company's website (www.icicprulife.com) and a web link thereto shall be provided in the annual report. The Policy will be reviewed on an annual basis or as and when warranted due to regulatory requirements.