

## **KOTAK MAHINDRA BANK LIMITED**

### **POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION**

#### **1. Preamble**

Kotak Mahindra Bank Ltd. ('Bank') is committed to fair disclosure of events / information in compliance with applicable laws.

Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Regulations') requires disclosure of any material events or information by listed entities. These Regulations further specify certain events / information which need to be disclosed by the listed entities based on application of guidelines for materiality.

Pursuant to the Regulations, the Board of Directors of the Bank ('Board') has adopted the 'Kotak Mahindra Bank Limited Policy for Determination of Materiality of Events or Information' ('Policy'). This Policy aims to facilitate accurate and adequate disclosures of material events / information in a timely manner by the Bank.

This Policy shall be read together with the Bank's Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and shall be subject to the Regulations and any circulars, guidelines or instructions issued thereunder by SEBI.

#### **2. Criteria for determination of Materiality**

Materiality has to be determined on case to case basis depending on the specific facts and circumstances relating to the event / information. The Bank shall be subject to the following materiality thresholds:

##### **(a) Deemed Material Events / Information**

Pursuant to Regulation 30 of the Regulations, the events / information specified in **Schedule A** to this Policy shall be deemed to be material events / information requiring mandatory disclosure.

##### **(b) Events / Information determined to be Material in the Opinion of the Board**

The Bank shall consider the following criteria when determining whether events / information specified in **Schedule B** to this Policy are material to warrant disclosure:

- (i) The omission of an event or information, which is likely to result in discontinuity/ alteration of event / information already available publicly; or
- (ii) The omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date; or
- (iii) Any other event / information which in the opinion of the Board is considered material.

Events / information with respect to material subsidiaries (as determined under the material subsidiary policy of the Bank) must also be disclosed by the Bank per the terms of this Policy.

#### **3. Point of time when the material event / information is said to have occurred**

The Bank would disclose event/information meeting the materiality thresholds no sooner than credible and concrete information comes into being or is said to have occurred in order to make such information generally available.

The material event /information will be said to have occurred:

- In cases involving negotiation, discussion or approval, upon receipt of the approval of the Board or the shareholders, as the case may be. However, in cases involving price sensitive events / information (such as decision on declaration of dividend), the disclosure may be made on the receipt of approval of the Board of Directors, pending shareholder approval.
- In other cases, where no approvals are required (such as natural calamities or disruptions, etc) when the Bank or its officers become aware of the events / information, or when the Bank or its officers ought to have reasonably come into knowledge / possession of the event / information while performing their duties.

*Explanation* – The term ‘officer’ shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the Bank.

#### **4. Authority to determine materiality of event / information**

The Group Chief Financial Officer of the Bank (“**Designated Officer**”) is authorized for the purposes of determining materiality of particular event / information based on the materiality thresholds and making disclosures to the stock exchanges under this Policy. Under the system, the Departmental Heads of the Bank who are responsible for the relevant areas of the Bank’s operations are required to report to the Designated Officer of the Bank about any event or information specified in Schedule A and Schedule B, or any other significant events/information in relation to the Bank or any material subsidiary. The Designated Officer may also consult the Operating Management Committee of the Bank while determining materiality of certain events or information. The Designated Officer shall take care to ensure that he/she is reasonably satisfied that any event/information being disclosed is true and correct and does not contain any misrepresentations. Contact details of the Designated Officer will be published on the website of the Bank.

#### **5. Dissemination of material event / information**

- (i) The Bank shall disclose to the Stock Exchanges the events / information specified in **Schedule A** without any application of the guidelines of materiality.
- (ii) The Bank shall disclose to the Stock Exchanges the events / information specified in **Schedule B** upon application of the guidelines of materiality specified in this Policy.
- (iii) The Bank shall disclose to the Stock Exchanges events/ information relating to matters not covered under either **Schedule A** or **Schedule B** if they are considered material.
- (iv) The Bank shall disclose to the Stock Exchanges the material event / information as soon as reasonably possible and not later than twenty four hours from the occurrence of event / information, except in case of matters specified in **Point 4 of Schedule A** to this Policy, which shall be disclosed within thirty minutes of the conclusion of the relevant Board meeting.
- (v) The Bank shall make disclosures to the Stock Exchanges updating material developments on a regular basis, till such time the event is resolved / closed, with relevant explanations.
- (vi) The Bank would disclose on its website all such events / information which has been disclosed to the Stock Exchanges. All such disclosures will be available on the Bank’s website for a period of five years from the date of its disclosure. Disclosed information which is over five years old will be archived in accordance with the archival policy of the Bank.
- (vii) In case the Bank amends any of the disclosures given to the Stock Exchanges or published on the website, it shall publish the amended content of the disclosures on the website of the Bank.
- (viii) In the event of the concerned Stock Exchanges raising any queries with respect to events / information disclosed under this Policy, the Designated Officer shall reply to the Stock Exchanges and satisfactorily answer the queries or provide the clarifications sought.

- (ix) The Bank may also, if the Designated Officer or the Board so desires, confirm or deny any reported event / information to Stock Exchanges, including matters reported in the news or otherwise in the public domain.
- (x) The disclosures to be made under this policy shall include such information or details as required under SEBI's Circular on Continual Disclosure Requirements for Listed Companies dated 9<sup>th</sup> September 2015, issued pursuant to Regulation 30 of the Regulations or as may be otherwise specified by SEBI from time to time, as may be applicable.
- (xi) In case the Bank makes any disclosures to any stock exchange outside India for any purpose, the Bank shall simultaneously make such disclosures on the concerned Stock Exchanges in India.

## **6. Amendment to the Policy**

Subject to applicable laws, the Board may, in its absolute discretion from time to time amend or alter the Policy or any terms and conditions thereof.

## **7. Issues**

In respect of any issues arising in respect of the Policy, the decision of the Board shall be final and binding on all concerned.

## **8. Variation**

In the event of any variation or inconsistency between the provisions of the Policy and the Regulations or any circulars, guidelines or instructions issued thereunder, the provisions of Regulations including any modifications, clarifications, circulars or re-enactment thereof shall prevail over the Policy and the provisions of the Policy shall be deemed to have been amended so as to be read in consonance with the Regulations.

## SCHEDULE A

### Events which shall be disclosed without any application of the guidelines for materiality

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the Bank or any other restructuring:
  - 1.1 Acquiring control, whether directly or indirectly; or,
  - 1.2 Acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –
    - (a) The listed entity holds shares or voting rights aggregating to 5% or more of the shares or voting rights in the said company, or;
    - (b) There is a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds 2% of the total shareholding or voting rights in the said company.
2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
3. Revision in Rating(s).
4. Outcome of meetings of the board of directors: Bank shall intimate the outcome of the meetings of the board of directors to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
  - 4.1. dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
  - 4.2. any cancellation of dividend with reasons thereof;
  - 4.3. the decision on buyback of securities;
  - 4.4. the decision with respect to fund raising proposed to be undertaken;
  - 4.5. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
  - 4.6. reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
  - 4.7. short particulars of any other alterations of capital, including calls;
  - 4.8. financial results;
  - 4.9. decision on voluntary delisting by the Bank from stock exchange(s);
5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Bank), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.

6. Fraud/ Defaults by promoter or key managerial personnel or by the Bank or arrest of key managerial personnel or promoter.
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
8. Appointment or discontinuation of share transfer agent.
9. Corporate debt restructuring (“CDR”).
10. One time settlement (OTS) with a bank.
11. Reference to BIFR and winding-up petition filed by any party / creditors:
12. Issuance of notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the Bank
13. Proceedings of annual and extraordinary general meetings of the Bank and the following details in brief:
14. Amendments to memorandum and articles of association of Bank, in brief.
15. Schedule of analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors.

## **SCHEDULE B**

### **Events which shall be disclosed upon application of the guidelines for materiality**

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division/branch.
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new line(s) of business, or closure of operations of any unit/division - (entirety or piecemeal).
3. Capacity addition or product launch.
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts, not in the normal course of business.
5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
6. Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7. Effect(s) arising out of change in the regulatory framework applicable to the Bank.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Frauds/ defaults by directors (other than key managerial personnel) or employees of the Bank.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
13. Any other information/event viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.