

**Policy on criteria for
determining Materiality of
Events**

June 2020



*Investor Relations Cell
Regd. & Central Office
Karur*

Index

SL. No.	Topic	Page No.
1	Preface	1
2	Objective	1
3	Definition	1
4	Guidelines for Determining Materiality of Events or Information	2
5	Disclosure Committee	3
6	Roles and Responsibilities of Committee	3
7	Scope and Limitation	4
8	Disclosures of Events or Information	5
9	Amendments and Review	6
10	Dissemination of Policy	6

Title	Policy on criteria for determining Materiality of Events
Date of Approved & Item Note	22.11.2015 & A – 113
Annexures	A & B
Version	3
No. of Pages	12
Author	Investor Relations Cell

POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS

1. Preface

The Bank is committed to provide comprehensive public disclosure of all material information about the Bank and provide fair and equal access to such information. The Bank shall comply with all legal and regulatory requirements related to prompt disclosure which lead to enhanced transparency. This Policy on Criteria for Determining Materiality of events is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. Objective

The objective of this Policy is to determine materiality of events or information of the Bank and to ensure that such information is adequately disseminated in pursuance with the SEBI (LODR) Regulations, 2015 and to provide an overall governance framework for such determination of materiality.

3. Definition

“Act” means The Companies Act, 2013 and the Rules framed there under, including any modifications, clarifications, circulars or re-enactment thereof.

Further It includes The Banking Regulation Act, 1949 and the Rules, guidelines, circulars including modification, re-enactment thereof etc., issued by Reserve Bank of India for time to time.

“Board of Directors” or **“Board”** means the Board of Directors of The Karur Vysya Bank Limited, as constituted under the Companies Act, 2013 from time to time.

“Bank” means The Karur Vysya Bank Limited;

“Key Managerial Personnel” mean Key Managerial Personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013;

“Listing agreement” shall mean an agreement that is to be entered into between recognised stock exchange and the Company pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 (as amended from time to time);

“Material Event” or “Material Information” shall mean such event or information asset out in the Schedule or as may be determined in terms of Clause 4 of the Policy. In the Policy, the words, “material” and “materiality” shall be construed accordingly;

“Policy” means this Policy on criteria for determining Materiality of events or information including amendments, if any, made from time to time;

“Regulations” mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof as may be made for time to time; and

"Schedule" means a Schedule III of (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Any other words and expressions not defined herein shall have the same meaning as defined in the Companies Act, 2013, Banking Regulation Act, the Listing Agreement, Regulations or any other applicable law or regulation to the extent applicable to the Bank.

4. Guidelines for Determining Materiality of Events or Information

In order to determine whether a particular event/information is material in nature as per Regulation 30(4), the following criteria(s) mentioned below shall be considered:

- A) The event or information is in any manner unpublished price sensitive information;
- B) The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- C) 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; and

D) Any other event/information which is treated as being material in the opinion of the Board of Directors of the Bank.

Quantitative terms:

The value involved or the impact exceeds: 5% of the net worth as per the last audited financial statements or ₹ 250 Crore whichever is lower shall be the trigger.

All the events over and above the threshold shall be promptly disclosed to the stock exchange(s), and the event below the threshold shall be considered by Disclosure Committee for determining the materiality.”

5. Disclosure Committee

The Disclosure committee shall comprise MD&CEO, President & COO, Chief Financial Officer and Company Secretary of the Bank as members. They have the authority to determine Materiality of any event or information and ensure disclosures of the same are made to stock exchange(s), subject to the provisions of this Policy.

Any event or information forming part of Annexure B to the Policy shall be forthwith informed to the Company Secretary, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the stock exchanges.

6. Roles and Responsibilities of Committee

The Roles and Responsibilities of the Committee shall include the following:

- (a) To ensure compliance with the disclosure requirements under Regulation 30 of the new Regulations and such other Circulars as may be specified by SEBI in this regard;
- (b) To take a view on the materiality of an event or on the price sensitivity of an event that qualifies for disclosure under Regulation 30 of the new Regulations;
- (c) To determine the appropriate time at which the disclosures are to be

made to the stock exchanges which shall be in adherence to the requirements of Regulation 30 of the new Regulations;

- (d) To review and finalise the details to be disclosed. The contents of the disclosure shall be in line with the new Regulations and SEBI Circulars issued in this regard, and as may be amended from time to time. Provided that any confidential information which if disclosed is likely to put at risk, the business interest of the Company shall not be disclosed. The Company to that extent shall make qualified disclosure to the Stock Exchanges;
- (e) To consider such other events that may require disclosure to be made to the stock exchanges which are not explicitly defined in any Annexures and determine the materiality, appropriate time and contents of disclosure for such matter;
- (f) Contact details of Key Managerial Personnel:

GM & CFO
The Karur Vysya Bank Limited
Regd & Central Office
No. 20, Erode Road, Vadivel Nagar,
LNS., Karur – 639 002
Ph no: 04324-269326
kvbfc@kvbmail.com

Company Secretary
The Karur Vysya Bank Limited
Regd & Central Office
No. 20, Erode Road, Vadivel Nagar,
LNS., Karur – 639 002
Ph no: 04324-269444
kvb_sig@kvbmail.com

7. Scope and Limitation

In the event of any conflict between the provisions of this Policy and the Listing Agreement; Companies Act, 2013; Regulations or Banking Regulation Act 1949 or the extant guidelines of Reserve Bank of India any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to be severed from the Policy and the rest of the Policy shall remain in force.

8. Disclosures of Events or Information

- a. Events specified in Annexure A are deemed to be material events or information and the Bank shall make disclosure of such events or information as soon as reasonably possible and not later than twenty-four (24) hours from the occurrence of such event or information in the following manner:
 - i. inform the stock exchange/s in which the securities of the Bank is / are listed;
 - ii. upload on the website of the Bank.

Provided that in case the disclosure is made after twenty-four (24) hours of occurrence of such event or information, the Bank shall, along with such disclosure(s) provide an explanation for delay.

Events specified in Point 4 of Annexure A shall be deemed to be material events or information and shall be disclosed to the Stock Exchange/s, within 30 minutes of the closure of the meeting of the Board of Directors in which these items were approved

- b. The Bank shall make disclosure of events as specified in Annexure B based on application of guidelines for determining Materiality as per clause 4 of the Policy.
- c. The Bank shall make disclosures updating Material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations in case where required.
- d. The Bank shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information and on its own initiative. Further it shall confirm or deny any event or information to stock exchange(s) reported in the media, if it is considered material in the opinion of the Bank.
- e. In case where an event occurs or information is available with the Bank, which has not been indicated in Annexure A or Annexure B, but which may have material effect on it, the Bank will make adequate disclosures in regard thereof.

All the above disclosures would be hosted on the website of the Bank for a minimum period of five years and thereafter archived as per Bank's policy for Preservation and Archival of Documents.

9. Amendments and Review

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

10. Dissemination of Policy

This Policy shall be hosted on the website of the Bank for a minimum period of five years and thereafter archived as per Bank's policy for Preservation and Archival of Documents. The address of such web link thereto shall be provided in the Annual Report of the Bank. This Policy shall also be hosted on Bank's intranet.

Annexure A

Events which shall be disclosed without any application of the Guidelines for materiality as specified in sub-regulation (4) of regulation (30):

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 entity or any other restructuring.

Explanation - 'Acquisition' shall mean, -

- (i) acquiring control, whether directly or indirectly; or,
 - (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
 - (a) the Company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
 - (b) there has been a change in holding from the last disclosure and such change exceeds two per cent 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: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
 - a) 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;
 - b) any cancellation of dividend with reasons thereof;
 - c) the decision on buyback of securities;
 - d) the decision with respect to fund raising proposed to be undertaken;
 - e) increase in capital by issue of bonus shares through capitalization

- including the date on which such bonus shares shall be credited/dispatched;
- f) 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;
 - g) short particulars of any other alterations of capital, including calls;
 - h) financial results;
 - i) decision on voluntary delisting by the Company 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 Company), 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 Company 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;
- A. In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
 - B. In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:
 - 1. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges.
 - 2. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.

3. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause (i) above.

8. Appointment or discontinuation of share transfer agent;

9. Corporate debt restructuring.

10. One time settlement 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 Company;

13. Proceedings of Annual and extraordinary general meetings of the Company;

14. Amendments to Memorandum of Association and Articles of association of Company, in brief;

15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.

16. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
 - a. Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
 - b. Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
 - c. Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable ;
 - d. Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
 - e. List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
 - f. Appointment/ Replacement of the Resolution Professional; g) Prior or

- post-facto intimation of the meetings of Committee of Creditors;
- g. Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
 - h. Number of resolution plans received by Resolution Professional;
 - i. Filing of resolution plan with the Tribunal;
 - j. Approval of resolution plan by the Tribunal or rejection, if applicable;
 - k. Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified;
 - l. Any other material information not involving commercial secrets.

Annexure B

Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
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 lines of business or closure of operations of any unit/division (entirety or piecemeal).
3. New 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) and revision(s) or amendment(s) or termination(s) thereof;
6. Disruption of operations of substantial number of Branches of the Bank 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. Fraud / defaults etc. by directors (other than Key Managerial Personnel) or employees of 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;

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 Bank which may be necessary to enable the holders of securities of the Bank to appraise its position and to avoid the establishment of a false market in such securities.

Without prejudice to the generality of Annexure A & B above, the listed entity may make disclosures of event/information as specified by the Board from time to time
