



POLICY ON

CRITERIA FOR DETERMINATION

OF

MATERIALITY OF EVENTS / INFORMATION

(Approved as on 21.08.2024)

POLICY ON CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS

I. INTRODUCTION

The Policy is framed in accordance with the requirements of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations).

The objectives of this Policy are:

- a. to determine materiality of events or information of the Bank;
- b. to ensure that such information is adequately disseminated to stock exchanges in accordance with the Regulations; and,
- c. to regulate the governance framework for determining materiality.

II. DEFINITION

"Act" shall mean Securities and Exchange Board of India Act 1992 (15 of 1992) and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

"Bank" shall mean CITY UNION BANK LTD.

"Board of Directors" or **"Board"** means the Board of Directors of the Bank in terms of Regulation 2(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the LODR regulations) as constituted from time to time.

"Key Managerial Personnel" shall mean key managerial personnel as defined in sub- section (51) of Section 2 of the Companies Act, 2013.

"Listed Entity" means any entity which has listed its securities on recognized recognised stock exchange(s), in accordance with the listing agreement entered into with the stock exchange(s).

"Listing agreement" shall mean an agreement that is entered into between the Bank and the recognized stock exchange(s) wherein the securities of the Bank are listed pursuant to the LODR Regulations.

"Material Event" or "Material Information" shall mean such event or information as may be determined in terms of Clause III of this Policy.

"Policy" means This 'Policy on criteria for determination of Materiality of events' including any 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.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the LODR regulations or any other applicable law or regulation to the extent applicable to the Bank.

III. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

Events / information shall be considered as Material if it meets any of the following criteria:

- 1 the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- 2 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
- 3 any other event / information which may be treated as based on the opinion of the Board of Directors of the Bank.

IV. DISCLOSURES OF EVENTS OR INFORMATION AS APPLICABLE TO THE BANK

- A.** The following events shall be deemed to be material events and the Bank shall disclose such information which are material in terms of the provisions of this regulations as soon as reasonably possible and in any case not later than the timelines stated below to the stock exchanges wherein the securities of the Bank are listed and host the event / information on the corporate website of the Bank:

(i) thirty minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;

(ii) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;

(iii) twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity;

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any branch(s)/ branch cells/ division(s) or subsidiary of the Bank 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 Bank, whether directly or indirectly, such that -
 - (a) the Bank holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said Bank, 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 Bank. or
 - (c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub regulation (4) of regulation 30.
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. New Rating(s) or Revision in Rating(s) ;

4. Outcome of Meetings of the Board of Directors:

The Bank 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 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;

- 5A. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements:

Provided that such agreements entered into by a listed entity in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or they are required to be disclosed in terms of any other provisions of these regulations.

6. Fraud or defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the listed entity, whether occurred within India or abroad ;
7. Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Bank Secretary etc.), Auditor and Compliance Officer;
- 7A. 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
- 7B. Resignation of independent director including reasons for resignation: 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
- (i) The letter of resignation along with detailed reasons for the resignation as given by the said director Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
- (ii) The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided and the same shall be disclosed by the listed entities to the stock exchanges
- 7C. In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel,

senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the listed entities within seven days from the date that such resignation comes into effect.

- 7D. In case the Managing Director or Chief Executive Officer of the listed entity was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s)
8. Appointment or discontinuation of share transfer agent;
 9. Reference to BIFR and winding-up petition filed by any party /creditors;
 10. 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;
 11. Proceedings of Annual and extraordinary general meetings of the Bank;
 12. Amendments to memorandum and articles of association of Bank, in brief;
 13. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Bank to analysts or institutional investors.

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.

B. The Bank shall disclose following events based on applicability as per clause III of this Policy.

1. Opening of any branch/ branch cells/ divisions of the Bank and commencement thereof.
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 branch, branch cells or division (entirety or piecemeal);
3. Any 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 any one or more branch(s)/ branch cells/ divisions 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. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals;
 12. 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.
- C. The Bank shall make disclosures updating Material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- D. The Bank shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information which is reasonably practicable.
- E. Any information reported in the media may be confirmed or denied to stock exchange(s) as may be deemed fit by the Board / Key managerial personnel.
- F. In case where an event occurs or information is available with the Bank, the disclosure of which is not indicated in this policy, but which may have material effect as per clause III of this policy, the Bank will make adequate disclosures in regard thereof.
- G. All disclosures under this policy will 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.

V. AUTHORITY TO KEY MANAGERIAL PERSONNEL

Pursuant to Regulation 30(5) of the LODR Regulations the Board of Directors shall authorize any of the key managerial personnel as referred in Clause II of this policy for the purpose of determining the Materiality of any event or information and making disclosures to stock exchanges as well as dissemination of information on the Bank's website, subject to provisions of this policy.

VI. AMENDMENTS

The Board may subject to the applicable laws review 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.

VII. DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Bank.

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