

POLICY ON DETERMINATION AND DISCLOSURE OF MATERIAL EVENTS / INFORMATION

1. NEED AND OBJECTIVE OF THE POLICY:

Securities and Exchange Board of India (SEBI), has on September 02, 2015, notified a comprehensive SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR) Regulations}, replacing the existing Listing Agreement. The new Regulation has come into force on the 90th day from the date of its publication in Official Gazette, i.e., with effect from December 01, 2015.

In order to enable investors to make well-informed investment decisions, timely, adequate and accurate disclosure of information on an ongoing basis is essential. Also, there is a need of uniformity in disclosures made by listed entities to ensure compliance in letter and spirit. Regulation 30 of SEBI (LODR) Regulations deals with disclosure of material events and information by the listed entities and in terms of the Regulation 30(4)(ii) of SEBI (LODR) Regulations, the Bank is required to frame a policy for determination of materiality, based on the criteria specified in SEBI (LODR) Regulations.

This policy, duly approved by the Board of Directors shall be hosted on the website of the Bank.

2. NAME OF THE POLICY. - This Policy shall be known as “DCB Bank- Policy on Determination of Materiality of events and Information.”

3. EFFECTIVE DATE: This Policy is effective from January 12, 2016

4. DEFINITIONS:

The Bank	DCB Bank Limited/DCB Bank
Board	“Board” means the Board of Directors of the Bank
Key Managerial Personnel	“Key Managerial Personnel” means, (i) Managing Director and Chief Executive Officer; (ii) Chief Financial Officer; (iii) Company Secretary and (iv) such other officer/s as may be prescribed by SEBI or nominated by the Board under SEBI regulations.
Schedule III	“Schedule” means Schedule III annexed to SEBI (LODR) Regulations, 2015.
Materiality threshold	An event will be considered material if its expected financial impact on the Bank’s gross revenue would be in excess of 10% of the gross revenue of the Bank as per last available audited financial results or financial impact of more than 20% of the Bank’s Net Worth as

	per last available audited financial results; which ever is less.
Securities	Securities means equity shares and other securities listed with the Stock Exchanges.
Material events/Information	Material events/Information are those that are specified in Schedule III to SEBI (LODR) Regulations, 2015 and as decided by the Bank from time to time based on this Policy.

5. POLICY:

5.1. The events / information that need to be disclosed by the Bank to the Stock Exchanges are broadly divided into the following four categories;

A. Events to be disclosed without any application of the guidelines for determining materiality:

The following shall be events / information, upon occurrence of which the Bank shall make disclosure to stock exchange(s):

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.

Explanation: "Acquisition" means –

- (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 Bank 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 made under sub-clause (a) of clause (ii) of the Explanation to this sub-para 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 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 buy back 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 (Quarterly, Half Yearly and Annual).
 - i) Decision on voluntary delisting by the Bank from stock exchange(s).
5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), 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 Key Managerial Personnel or by the Bank or arrest of Key Managerial Personnel (Summoning or custody for inquiry shall not be construed as arrest).
 7. Change in Directors, Key Managerial Personnel, Auditors and Compliance Officer.
 8. Appointment or discontinuation of Share Transfer Agent.
 9. Corporate debt restructuring.
 10. Winding-up petition filed by any party / creditors
 11. 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.
 12. Proceedings of Annual and Extraordinary General Meetings of the Bank.
 13. Amendments to memorandum and articles of association of listed entity, in brief
 14. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Bank to analysts or institutional investors.

B. Events to be disclosed upon application of the guidelines for materiality:

The Bank shall disclose the following events / information upon application of the guidelines / criteria as detailed under Clause 4.2 of this Policy.

- i) 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).
- ii) Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
- iii) Capacity addition or product launch (If significant)
- iv) 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 (Significant in nature).

- v) Disruption of operations of any one or more units or division of the Bank entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc. of significant nature.
- vi) Effect(s) arising out of change in the regulatory framework applicable to the Bank.
- vii) Litigation(s) / dispute(s) / regulatory action(s) with impact.
- viii) Fraud/defaults etc., by Directors (other than key managerial personnel) or employees of the Bank
- ix) Options to purchase securities including any ESOP/ESPS Scheme.
- x) Giving of guarantees or indemnity or becoming a surety for any third party.
- xi) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals, of significant nature.

C. Any other information / event having significant impact:

The Bank shall disclose:

- a) any other event / information 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
- b) 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.

D. Any other event / information specified by SEBI }:

Without prejudice to the generality of Clause A, B and C above, the Bank shall make disclosure of event / information as specified by SEBI from time to time.

5.2. Criteria/guiding principles for determination of materiality:

The Bank shall consider event/information as specified in B, C and D of clause 5.1 above as material if it meets any of the following criteria:

- a) the event or information is in any manner unpublished price sensitive information as may be determined by the Key Managerial Personnel (KMPs) and other officials as may be authorized by the Board of Directors, from time to time;
- b) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- 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;
- d) As regard to quantitative factor for determining materiality, a transaction or an event will be considered material if its expected financial impact on the Bank's gross revenue would be in excess of 10% of the gross revenue of the Bank as per last available audited financial results or

financial impact of more than 20% of the Bank's Net Worth as per last available audited financial results; which ever is less.

- e) In case where the criteria specified in sub-clauses (a) to (d) are not applicable, an event/information may be treated as being material if in the opinion of the Board of Directors of the Bank, the event / information is considered material.

5.3 Timeline for disclosure: The Bank shall disclose the material events as soon as reasonably possible and not later than twenty four hours from the occurrence of the event or information or within the time limit prescribed by SEBI from time to time in the following manner:

- (i) inform the stock exchanges in which the securities of the Bank are listed;
- (ii) upload on the corporate website of the Bank.

Provided that in case the disclosure is made after twenty four hours of occurrence of the event or information, the Bank shall, along with such disclosures provide explanation for delay:

Provided further that disclosure with respect to events specified in clause 5.1 A. (1) (4) of this Policy shall be made within thirty minutes of the conclusion of the board meeting.

- 5.4.** The Bank shall, with respect to disclosures referred to in SEBI (LODR) Regulations, make disclosures updating material developments on a regular basis, till such time the event is resolved / closed, with relevant explanations.
- 5.5.** The Bank shall disclose all material events or information with respect to its material subsidiaries, if any, to the stock exchanges, where the shares of the Bank are listed.
- 5.6.** The Bank shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.
- 5.7.** The Bank may on its own initiative also, confirm or deny any reported event or information to stock exchange(s).

6. WEBSITE UPDATION:

The Bank shall disclose on its website all such material events or information which has been disclosed to stock exchange(s) under SEBI (LODR) Regulations and such disclosures shall be hosted on the website of the Bank for a minimum period of five years or as per the Archival Policy of the Bank whichever is more.

7. AUTHORITY FOR DETERMINATION AND DISCLOSURE OF MATERIALITY OF EVENTS / INFORMATION:

In terms of Regulation 30(5) of SEBI (LODR) Regulation the Board of Directors of the Bank has authorized the Managing Director & CEO jointly with the Chief Financial Officer or the Company Secretary for the purpose of determining the materiality of an event or information in consultation with the relevant Business Unit Head not below the level of Executive Vice President, as may be necessary. The Company Secretary or in his absence, any one of the aforesaid authorized KMPs are authorized to make disclosures to the Stock Exchanges and the contact details of such personnel shall be disclosed to the stock exchange(s) as well as shall be hosted on the Bank's website.

8. IMPLEMENTATION OF POLICY.

All the Functional Heads shall report important events, if any, which may occur in their area of operation, to the Chief Investor Relations Officer (CIRO) or any other person authorized by the Board immediately on happening of such events to enable determination of its materiality and for disclosure to the stock exchanges, if necessary. While reporting the event/information to the CIRO, the Functional Heads will also inform as to category of materiality, which has been triggered by the information/event.

On receipt of communication of potential material event / information, the Chief Investor Relations Officer (CIRO) will:

- i. Review event / information and to take whatever steps necessary to verify its accuracy;
- ii. Assess whether the event / information is required to be disclosed to the Stock Exchanges under the Listing Regulations;
- iii. Report the matter to other designated officials that the event / information may be material and may require disclosure under Regulation 30 of the SEBI (LODR) Regulations.
- iv. Where the designated officials are not certain about materiality of event / information, shall refer matter for external legal advice.

Following procedure shall be followed in relation to the lodgment of announcement of material event / information:

- I. If the event / information is material, the Chief Investor Relations Officer (CIRO) will prepare draft announcement to the Stock Exchanges which would be factual and shall express in clear manner and inform Company Secretary as Compliance Officer for formal announcement.
- II. The Company Secretary on behalf of the Bank will lodge or arrange for lodgment of the announcement with the Stock Exchanges.
- III. After lodgment of the announcement with the Stock Exchanges, the Company Secretary will arrange to place it on the website of the Bank.

- IV. All the announcements made under this Policy shall be kept on the website of the Bank for minimum period of five years and thereafter as per the Archival Policy of the Bank as disclosed on its website.

9. DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Bank and address of such web link thereto shall be provided in the Annual Report of the Company. This Policy shall also be hosted on Company's intranet.

10. SCOPE AND LIMITATION

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

11. AUTHORITY TO MAKE ALTERATIONS

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.