



ANDHRA BANK

POLICY ON DETERMINATION AND DISCLOSURE OF MATERIAL EVENTS OR INFORMATION AS PER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

1. NEED AND OBJECTIVE OF THE POLICY

The Securities and Exchange Board of India has issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") on September 2, 2015, replacing the existing Listing Agreement. These Regulations shall 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 ongoing basis is essential. Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations (LODR) deal with disclosure of material events and information by the listed entities. And in terms of the Regulation 30(4)(ii) of SEBI (LODR) Regulations, Bank seeks to frame a policy for determination of materiality, based on the criteria specified in SEBI (LODR) Regulations.

2. NAME OF THE POLICY

This Policy will be known as "Andhra Bank Policy on Determination of Materiality of Events and Information."

3. DEFINITIONS:

Board	"Board" means Board of Directors of the Bank
Key Managerial Personnel	"Key Managerial Personnel" means, <ul style="list-style-type: none">• The Chief Executive Officer or Managing Director or Whole-time Director;• The Chief Financial Officer;• General Manager of the Bank;• The Company Secretary• Such other officer as may be prescribed
Schedule	"Schedule" means Schedule III annexed to SEBI (LODR) Regulations, 2015
Securities	Securities means equity shares and other securities listed with the Stock Exchanges of the Bank.
Material Events	Material events are those that are specified in Schedule III to SEBI (LODR) Regulations, 2015 and as per the Policy of the Bank.

4. POLICY

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

A. Events to be disclosed without application of the guidelines for determining materiality: {Para A of Part A of Schedule III to the SEBI (LODR) Regulations}



The Indicative list of information, whether material or not, which shall be hosted on the website of the Bank and shall be submitted to the Stock Exchange, are as under:

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.- For the purpose of this sub-para, the word '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 listed entity 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: The listed entity 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 listed entity 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 listed entity), 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 bank or arrest of key managerial personnel or promoter.

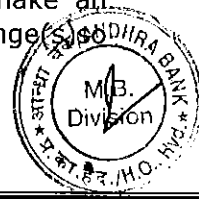


7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), Auditor and Compliance Officer.
8. Appointment or discontinuation of share transfer agent.
9. Corporate debt restructuring.
10. One time settlement with a bank.
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 listed entity.
13. Proceedings of Annual and extraordinary general meetings of the listed entity.
14. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

DISCLOSURE OF INFORMATION HAVING BEARING ON PERFORMANCE / OPERATION OF BANK AND / OR PRICE SENSITIVE INFORMATION: NON-CONVERTIBLE DEBT SECURITIES & NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES

Bank shall promptly inform to the stock exchange(s) of all information which shall have bearing on performance/operation of the bank or is price sensitive or shall affect payment of interest or dividend of non-convertible preference shares or redemption of non convertible debt securities or redeemable preference shares including:

- 1) expected default in timely payment of interests/preference dividend or redemption or repayment amount or both in respect of the non-convertible debt securities and non-convertible redeemable preference shares and also default in creation of security for debentures as soon as the same becomes apparent;
- 2) any attachment or prohibitory orders restraining the bank from transferring non-convertible debt securities or non-convertible redeemable preference shares from the account of the registered holders along-with the particulars of the numbers of securities so affected, the names of the registered holders and their demat account details;
- 3) any action which shall result in the redemption, conversion, cancellation, retirement in whole or in part of any non-convertible debt securities or reduction, redemption, cancellation, retirement in whole or in part of any non-convertible redeemable preference shares;
- 4) any action that shall affect adversely payment of interest on non-convertible debt securities or payment of dividend on non-convertible redeemable preference shares including default by issuer to pay interest on non-convertible debt securities or redemption amount and failure to create a charge on the assets;
- 5) any change in the form or nature of any of its non-convertible debt securities or non-convertible redeemable preference shares that are listed on the stock exchange(s) or in the rights or privileges of the holders thereof and make an application for listing of the securities as changed, if the stock exchange(s) require;



- 6) any changes in the general character or nature of business/activities, disruption of operation due to natural calamity, and commencement of commercial production/commercial operations;
- 7) any events such as strikes and lockouts. which have a bearing on the Interest payment/dividend payment/principal repayment capacity;
- 8) details of any letter or comments made by debenture trustees regarding payment/non-payment of interest on due dates, payment/non-payment of principal on the due dates or any other matter concerning the security, listed entity and/or the assets along with its comments thereon, if any;
- 9) delay/default in payment of interest or dividend/principal amount/redemption for a period of more than three months from the due date;
- 10) failure to create charge on the assets within the stipulated time period;
- 11) any instance(s) of default/delay in timely repayment of interests or Principal obligations or both in respect of the debt securities including, any proposal for re-scheduling or postponement of the repayment programmes of the dues/debts of the listed entity with any investor(s)/lender(s).
- 12) any major change in composition of its board of directors, which may amount to change in control as defined in Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011;
- 13) any revision in the rating;
- 14) the following approvals by board of directors in their meeting:-
 - (a) the decision to pass any interest payment;
 - (b) short particulars of any increase of capital whether by issue of bonus securities through capitalization, or by way of right securities to be offered to the debenture holders, or in any other way;
- 15) all the information, report, notices, call letters, circulars, proceedings, etc concerning non-convertible redeemable preference shares or non convertible debt securities;
- 16) any other change that shall affect the rights and obligations of the holders of non-convertible debt securities/non-convertible redeemable preference shares, any other information noting the public domain necessary to enable the holder so the listed securities to clarify its position and to avoid the creation of a false market in such listed securities or any other information having bearing on the operation/performance of the listed entity as well as price sensitive information.

**B. Events to be disclosed upon application of the guidelines for materiality:
{Para B of Part A of Schedule III to the SEBI (LODR) Regulations}**

The Indicative list of information, which if considered "Material" in nature, shall be hosted on the website of the Bank and shall be submitted to the Stock Exchange, are as under:



The Bank shall disclose the following events/ information upon application of the guidelines / criteria as detailed under this policy

1. 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).
2. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
3. 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.
4. 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.
5. Effect(s) arising out of change in the regulatory framework applicable to the listed entity.
6. Litigation(s) / dispute(s) / regulatory action(s) with impact.
7. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
8. Options to purchase securities including any ESOP/ESPS Scheme.
9. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

C. 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.

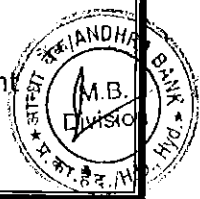
D. Without prejudice to the generality of Clause A, B and C above, Bank shall make disclosure of event / information as specified by SEBI from time to time.

E. Bank shall disclose the details that need to be provided while disclosing the events in above clause (A) and (B) as per the enclosure. In case, the Bank does not disclose any such specified details, it shall state appropriate reason for non disclosure.

5. CRITERIA FOR DETERMINATION OF MATERIALITY

The Bank shall consider the following criteria for determination of materiality of events / information for disclosure as per clause 4 B:

- i. The omission of an event or information, which is likely to result in discontinuity or alteration of event or 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;



- iii. In case where the criteria specified in above mentioned sub point no. (i) and (ii) are not applicable, an event/ information may be treated as being material of in the opinion of the board of directors, which shall be disclosed on its website.

6. **TIMELINE FOR DISCLOSURE**

The Bank shall disclose the material events as specified and within the time limit prescribed by SEBI from time to time.

7. 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.
8. 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.
9. The Bank shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information
10. The Bank shall may on its own initiative also, confirm or deny any reported event or information to stock exchanges(s).

11. **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.

