

MRF LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF ANY EVENT OR INFORMATION

This Policy is applicable to the Company with effect from December 1, 2015, and the amended Policy is applicable to the Company w.e.f. July 14, 2023.

I. Objective

This Policy is framed in accordance with the requirement of Regulation 30 of the SEBI [listing obligations and disclosure requirements] Regulations, 2015 to be effective from 01/12/2015. All provisions of Regulation 30 read with Schedule III of the LODR Regulations shall hereby be deemed to be incorporated in this Policy. All the words and expressions used but not defined in this Policy, shall have the same meaning as assigned to it under the LODR Regulations, the Act, the SEBI Act, 1992 (“SEBI Act”) and the Securities Contracts (Regulation) Act, 1956 (“SCRA”).

II. Determination of materiality of events / information

In terms of Regulation 30 of the listing regulations, the Company is required to consider the following criteria for determination of materiality of any event / information:

- a) Events or information specified in Para A of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations will be disclosed without any application of the guidelines for materiality.
- b) Events or information specified in Para B of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations will be disclosed based on application of materiality criteria.

The Company shall consider the following criteria for determination of materiality of event/information specified in **Annexure II** to this policy as and when they occur.

Where the omission of an event/ information, is likely to result in:

- a) discontinuity or alteration of event/ information already available publicly;
- or
- b) a significant market reaction if the said omission came to light at a later date.

Where it would be difficult to report the events/information based on criteria as stated in points a) and b) above, the same may be considered as material for disclosure if in the opinion of the Board of directors of Company, the event / information is considered material, upon meeting the materiality thresholds as mentioned herein below.

III. Materiality Thresholds:

Materiality must be determined on a case-to-case basis depending on specific facts and circumstances relating to the event/information. The following will be the materiality criteria which shall apply to events specified in Annexure to this policy only.

An event specified in the Annexure to the policy would be considered material if omission of such event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:

- a. two percent of turnover, as per the last audited consolidated financial statements of the Company;
- b. two percent of net worth, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative;
- c. five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company;

IV. Disclosures:

As prescribed under Regulation 30(6) of the SEBI Listing Regulations, all events or information which are material as determined under this Policy shall be disclosed to the stock exchange(s), as soon as reasonably possible and in any case not later than:

- a. 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;
- b. twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- c. twenty-four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

V. Authority:

The Board of Directors of the Company has authorised the Company Secretary to determine in consultation with the Chairman & Managing Director / Vice Chairman and Managing Director / Managing Director and Senior Advisor [Authorised Persons] of the company, the materiality of an event or information based on this policy and for making disclosures towards stock exchanges under this regulation. The Contact details are as follows:

Mr S Dhanvanth Kumar
Company Secretary,
MRF Limited, 114, Greams Road, Chennai – 600 006.
Phone : (044) 28292777
E-mail : dhanvanth.s@mrfmail.com

VI. Amendment:

This policy has been approved by the Board of Directors. The Authorised Persons may review the Policy from time to time and the Chairman and Managing Director is hereby authorised to amend, as and when deemed fit.

Annexure I

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 or restructuring), sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the listed entity, sale of stake in associate company of the listed entity or any other restructuring.
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
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.
- 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
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, Company Secretary etc.), senior management, Auditor and Compliance Officer.
- (7A). In case of resignation of the auditor of the listed entity, detailed reasons for (2) 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 auditor including reasons for resignation.
- (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. Resolution plan/Restructuring in relation to loans/borrowings from banks/financial institutions.
 10. One-time settlement with a bank.
 11. 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. Amendments to memorandum and articles of association of listed entity, in brief.
 15. (a) Schedule of analysts or institutional investors meet at least two working days in advance
 16. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
 17. Initiation of Forensic audit
 18. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity.
 19. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity
 20. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity.
 21. Voluntary revision of financial statements or the report of the board of directors of the listed entity under section 131 of the Companies Act, 2013.

Annexure II

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. Any of the following events pertaining to the Company:
 - (a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or
 - (b) adoption of new line(s) of business; or
 - (c) closure of operation of any unit, division or subsidiary (in entirety or in 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) 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 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 listed entity.
 8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company.
 9. Frauds or defaults by employees of the listed entity which has or may have an impact on the Company.
 10. Options to purchase securities including any ESOP/ESPS Scheme.
 11. Giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party.
 12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
 13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.
- 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 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.
- D. Without prejudice to the generality of para (A), (B) and (C) above, the listed entity may make disclosures of event/information as specified by the Board from time to time.