

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION



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| Approved By: | Board of Directors |
| Approved on: | 02.11.2015 |
| Amended on: | -- |

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Registered Office:

UB TOWER, UB CITY, # 24, VITTAL MALLYA ROAD,
BANGA LORE – 560001 KARNATAKA, INDIA



**POLICY ON DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION
AND DISCLOSURE/DISSEMINATION OF MATERIAL EVENTS/INFORMATION**

1. Statutory Mandate

The Board of Directors (the “Board”) of United Breweries Limited (the “Company”) has adopted the “Policy on Determination of Materiality of Events/Information and Disclosure/Dissemination of Material Events/Information” (hereinafter “this Policy”) in terms of Regulation 30 of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) for disclosure of events specified in Para A of Part A of Schedule III of LODR and setting up criteria for determination of materiality of events/information as prescribed in the LODR and as may be deemed appropriate in the opinion of the Board and Key Managerial Personnel (KMPs) of the Company. The Board may review and amend this Policy from time to time.

This Policy will be applicable with effect from December 1, 2015.

2. Definitions

“**Board of Directors or Board**” means the Board of Directors of United Breweries Limited, as constituted from time to time.

“**Company**” means United Breweries Limited.

“**Key Managerial Personnel/(KMP)**” shall mean and include Managing Director, Chief Financial Officer and Company Secretary, or any one of them.

“**Listing Agreement**” shall mean an agreement which is entered into by the Company with stock exchanges pursuant to Securities and Exchange Board (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Policy**” means Policy for Determination of Materiality of Events / Information and Disclosure as may be amended from time to time.

“**LODR**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Material Events or Material Information**” shall mean and include such event/information as set out in Para A of Part A of Schedule III of the LODR (which forms part of this Policy as Annexure A); and event/information as set out in Para B of Part A of Schedule III of the LODR (which forms part of this Policy as Annexure B) or such other event/information, which in the opinion of the Board is material based on the criteria prescribed in Para 3 of this Policy.

“**Other Events/Information**” shall mean and include such event/information as may be prescribed/decided from time to time.



“**Stock Exchanges**” shall mean and include the stock exchanges where the equity shares of the Company are listed.

All the Words and expressions used in this Policy, unless defined herein, shall have meaning ascribed to them under the LODR, Listing Agreement, the Companies Act, 2013 and the Rules, Notifications and Circulars framed thereunder or as may be amended from time to time.

3. Policy Objective and Scope

This Policy is intended to provide guidance to KMP for identification, categorization and review of information/events which may have a bearing on the performance of the Company and which may materially affect the share prices of the Company. This Policy also sets the guidelines for disclosure of material events/information to Stock Exchanges and dissemination of the same in the website of the Company in pursuance of the LODR.

Certain events specified in Para A of Part A of Schedule III of the LODR (which forms part of this Policy as **Annexure A**) are deemed to be material events and the Company is required to make disclosure of such events to Stock Exchanges. Materiality in respect of certain other events specified in Para B of Part A of Schedule III of the LODR (which forms part of this Policy as **Annexure B**) is based on the application of the guidelines/criteria for determination of materiality which may be material in nature in the opinion of the Board/KMP.

Following criteria need to be applied for determination of materiality of events/information:

- (a) The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- (b) 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;
- (c) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the Board, the event / information is considered material.

The KMPs shall take into consideration the factors surrounding the particular information to take a view on whether the information is market sensitive or not.

4. Determination of Materiality of events / information, disclosure to Stock Exchanges and dissemination of events/information on website of the Company

- a. Key Managerial Personnel (KMP) comprising Managing Director, Chief Finance Officer and the Company Secretary have been authorized by the Board, jointly or severally, inter alia to act in accordance with this Policy and in terms of Regulation 30 of LODR:

Corporate Policies and Procedures : Policy on Determination of Materiality of Events/Information and Disclosure/Dissemination of Material Events/Information

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- (i) Disclose to Stock Exchanges and disseminate on the website of the Company within the prescribed time, the events/information as mentioned in Annexure A to this Policy which are deemed to be material without application of any guidelines/ criteria.
 - (ii) On a case to case basis, any one or more of the KMP shall determine materiality of events/information prescribed in Annexure B hereto or such other events/information applying the guidelines/criteria of materiality prescribed in Para 3 of this Policy, disclose the event/information to Stock Exchanges, if considered material, and disseminate the same on the website of the Company within the prescribed time.
- b. Disclose to Stock Exchanges and disseminate on the website of the Company within the prescribed time, material developments on a regular basis in respect of disclosures already made to Stock Exchanges under the LODR, till such time the event is resolved/closed.
 - c. Disclose to Stock Exchanges and disseminate on the website of the Company within the prescribed time, all events/information with respect to subsidiaries which are considered material.
 - d. Deal with queries received Stock Exchanges with respect to any event/information and respond appropriately to the rumours, which has no basis or documentation, in a way to protect the interests of the Company.
 - e. Disclose to Stock Exchanges and disseminate on the website of the Company the contact details of KMP authorized by the Board to act in accordance with Regulation 30 of the LODR.

Contact Details of KMPs

Mr. Shekhar Ramamurthy,

Managing Director

United Breweries Limited

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Telephone – 080 – 39855001

Mr. Steven Bosch

Director & CFO

United Breweries Limited

UB Tower, UB City, 24, Vittal Mallya Road, Bangalore – 560001.

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Telephone – 080 – 39855007



Mr. Govind Iyengar

Senior Vice President – Legal & Company Secretary

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Such event/information/updates, which in the opinion of the KMPs considered material and disclosed to Stock Exchanges/disseminated on the website of the Company will be placed before the Board prior to disclosure or at the Board Meeting held immediate after the said information being made public.

5. Website Updation

All material events/information disclosed by the Company to the Stock Exchanges under the LODR will be disseminated on the website of the Company for a minimum period of five years and thereafter archived as per the ‘Policy for Preservation of Document’ of the Company adopted by the Board.

6. Policy Review/Amendments

This Policy shall be subject to review as may be deemed necessary and to comply with any regulatory amendments or statutory modifications. Any amendment to this Policy shall be subject to approval of the Board.

7. Interpretation and Limitation

In the event of any contradiction in the contents of this Policy vis-à-vis the provisions of the Act, Listing Agreement, LODR or any other statutory enactments, Rules & Regulations or any modification/amendments thereto, provisions of this Policy shall be void and such contents so repugnant shall deemed to be severed from this Policy to such extent and the provisions of the Listing Agreement, LODR or any other statutory enactments, Rules & Regulations or any modification/amendments thereto shall prevail over this Policy.

8. Policy dissemination

This Policy shall be disseminated on the website of the Company.



Category I

Events/Information which are deemed material and shall be disclosed to Stock Exchanges within 30 Minutes of the closure of the Board Meeting held to consider the following and simultaneously disseminated on the website of the Company:

- 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) re-issue 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).

Category II

Events/Information which are deemed material and shall be disclosed to Stock Exchanges within 24 Hours from occurrence of event/information, without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30) and simultaneously disseminated on the website of the Company:

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 Company 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;



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- (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. 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.
 5. Fraud/defaults by promoter or key managerial personnel or by the Company or arrest of key managerial personnel or promoter.
 6. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
 7. Appointment or discontinuation of share transfer agent.
 8. Corporate debt restructuring.
 9. One time settlement with a bank.
 10. Reference to BIFR and 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 Company.
 12. Proceedings of Annual and extraordinary general meetings of the Company.
 13. Amendments to memorandum and articles of association, in brief.
 14. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;



Events which shall be disclosed upon application of the guidelines for materiality referred in sub-regulation (4) of regulation (30) of LODR and Para 4 of this Policy:

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. 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) (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 units or division of the Company 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 Company.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company.
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.
13. 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 Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.
14. Event/information as may be specified by the Board from time to time.

