

**Policy for determination of materiality of events / information
to be disclosed to Stock Exchanges**

I. Objectives of the policy:

As required under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations"), Company shall make disclosures of any events or information which is material to Stock Exchanges.

This policy is approved by Board of Directors at its meeting held on 23rd May, 2017.

II. Material events / information:

A. Events / information deemed to be material:

As prescribed under Regulation 30(2) read with Para A of Section A of Schedule III of Listing Regulations of following events / information will be deemed as material events / information and Company shall make disclosures of such events / information to the Stock Exchanges:

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 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. Revision in Rating(s).
4. Outcome of Meetings of the board of directors:
 - 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 listed entity 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 Board for Industrial and Financial Reconstruction (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. Amendments to memorandum and articles of association of listed entity, in brief.
15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors.

In case of any amendment in Regulation 30(2) read with Para A of Section A of Schedule III of Listing Regulations, the list of above events / information will change according to such amendment.

Disclosure: Events or information as mentioned in point no. 4 above are to be disclosed within thirty minutes of the closure of the Board Meeting. Other events / information are to be disclosed within 24 hours of occurrence of such event or information.

B. Events / information to be determined as material

- (a) Following criteria are to be applied while determining materiality of event or information:
- i. Event / information as prescribed in clause B(b), as determined by Executive Committee of Board of Directors.
 - ii. The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
 - iii. 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;
 - iv. In case where the criteria specified in sub-clauses (ii) and (iii) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of listed entity, the event / information is considered material.

(b) Following events / information, as prescribed under Regulation 30(2) read with Para B of Section A of Schedule III of Listing Regulations, shall be disclosed upon application of the above criteria for materiality:

- i. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
- ii. 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).
- iii. Capacity addition or product launch.
- iv. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
- v. 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.
- vi. 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.
- vii. Effect(s) arising out of change in the regulatory framework applicable to the listed entity.
- viii. Litigation(s) / dispute(s) / regulatory action(s) with impact.
- ix. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
- x. Options to purchase securities including any ESOP/ESPS Scheme.
- xi. Giving of guarantees or indemnity or becoming a surety for any third party.
- xii. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

In case of any amendment in Regulation 30(2) read with Para B of Section A of Schedule III of Listing Regulations, the list of above events / information will change according to such amendment.

C. Events / information other than A and B above

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.

Disclosure: Above events / information shall be disclosed within 24 hours of occurrence of such event or information.

III. To give authority to determine the materiality of an event / information:

Mr. Gurmeet Singh and Mr. Anil Shah are individually authorized to determine materiality of an event or information as prescribed in Clause II(B)(b) by applying criteria II(B)(a). Company Secretary of the Company is authorised to disclose such events / information to the Stock Exchanges.

This Policy will be available on website of the Company: <http://www.jci-hitachi.in/content/investors>.