RBL BANK LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

(VERSION 2)

EFFECTIVE DATE – April 01, 2019

(Last amended date May 3, 2021)

1. INTRODUCTION

Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) requires a listed entity to formulate a policy to determine its "Material Subsidiaries".

This Policy sets out the criteria for determination of material subsidiaries of the Bank and provides the framework for such determination in line with the requirements of the Regulation 16 and Regulation 24 of the Listing Regulations.

2. DEFINITIONS

"**Audit Committee**" means the Audit Committee of the Board constituted by the Board of Directors of the Bank, from time to time.

"**Board of Directors**" or "**Board**" means the Board of Directors of RBL Bank Limited, as constituted from time to time.

"**Bank**" means RBL Bank Limited.

"**Independent Director**" means a Director of the Bank, as defined under the Companies Act, 2013 and Listing Regulations, and who also fulfills the criteria of independence as stipulated under Clause 16(1)(b) of the Listing Regulation and Section 149 of the Companies Act, 2013.

"**Net Worth**" means net worth as defined in Section 2(57) of the Companies Act, 2013.

"**Policy**" means Policy on material subsidiaries.

"**Significant Transaction or Arrangement**" means any individual transaction or arrangement that exceeds or is likely to exceed ten per cent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

"**Subsidiary**" means a subsidiary as defined under the Companies Act, 2013 and the rules made thereunder.

3. MATERIAL SUBSIDIARY

A subsidiary shall be considered a Material Subsidiary if any of the following conditions are satisfied:

- net-worth of the subsidiary exceeds 10% of the Bank's consolidated net-worth in the immediately preceding accounting year; or

- income of the subsidiary exceeds 10% of the consolidated income in the immediately preceding accounting year.

4. GENERAL PROVISIONS

i) The Audit Committee of the Bank shall review the financial statements, in particular, the investments made by the unlisted (Material and Non Material) subsidiary.

ii) The minutes of the Board meetings of the unlisted (Material and Non Material) subsidiary shall be placed at the Board meeting of the Bank.

iii) The management of the unlisted (Material and Non Material) subsidiary shall periodically bring to the attention of the Board of Directors of the Bank, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

5. SPECIAL PROVISIONS FOR MATERIAL SUBSIDIARY

i) At least one independent director on the Board of Directors of the Bank shall be a director on the Board of Directors of a material unlisted Indian subsidiary, whether incorporated in India or not.

For the purpose of this sub-clause, notwithstanding anything to the contrary as contained in Clause 3 of this policy, the term "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Bank and its subsidiaries in the immediately preceding accounting year.

ii) The Bank shall not dispose of the shares in its material subsidiary which might reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

iii) Selling, disposing and leasing of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal or under a

resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

iv) The Bank and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified.

6. DISCLOSURE AND REVIEW OF THE POLICY

In terms of the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Bank will disclose the "Policy for determining Material Subsidiaries" on the Bank's website and a web link thereto shall be provided in the Annual Report.

This policy shall be reviewed at annual intervals or as warranted by any regulatory requirement. Such review shall be placed before the Board of Directors of the Bank for its approval.