

Materiality Policy for disclosure of outstanding litigation

Background

ICICI Prudential Asset Management Company Limited (the Company/IPAMC) proposes to offer its equity shares of face value of ₹1 each ("Equity Shares") by way of an initial public offering comprising of an offer for sale of Equity Shares by an existing shareholder ("Selling Shareholder") (the "Offer"). In terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to as SEBI ICDR Regulations), the Company is required to frame a policy for determination of threshold criteria for disclosure of outstanding litigations.

Scope of the Policy

The Policy will be applicable only for the purpose of disclosures to be made in the draft red herring prospectus, red herring prospectus and the prospectus and other documents or material issued or filed by the Company in relation to the Offer, including any amendments, addenda or corrigenda issued thereto, (collectively, the "Offer Documents"). The disclosures under the Offer documents will include the information for the following persons (**Relevant Parties**):

1. Issuer
2. Promoters of the Issuer
3. Directors of the Issuer
4. Key Managerial Personnel and Senior Management Personnel of the Issuer
5. Identified Group Companies

Details of disclosures to be made in the Offer Documents:

1. Litigation involving the Relevant Parties

- (a) All outstanding criminal proceedings, including such matters which are at the FIR stage and some cognizance has been taken by any court;
- (b) All outstanding actions (including all penalties and show cause notices) by regulatory and/or statutory authorities (including any judicial, quasi-judicial, administrative or enforcement authorities, as may be applicable);
- (c) Disciplinary action including penalty imposed by the Securities and Exchange Board of India or stock exchanges against only the Promoters in the last five fiscals including outstanding action;
- (d) All outstanding claims related to direct and indirect tax matters to be disclosed in (a) a consolidated manner, giving the number of cases and total amount, and (b) a descriptive manner for cases that exceed the materiality thresholds set out below; and

(e) Details of any other pending litigation including arbitration, involving the Relevant Parties, which are determined to be material as per the materiality thresholds set out below.

(i) For purposes of (e) above, all outstanding litigation (other than as covered under (a) to (d) above) involving the Relevant Parties (excluding ICICI Bank) shall be disclosed in the Offer Documents, if:

A. the value or expected impact in terms of value of claim by or against the entity or person in any such pending proceeding is in excess of the lower of: (a) 2% of the turnover of IPAMC as per the latest annual restated financial statements of IPAMC (i.e., for Fiscal 2025); or (b) 2% of the net worth of IPAMC as per the latest annual restated financial statements of IPAMC (i.e., as of March 31, 2025), except in case the arithmetic value of the net worth is negative; or (c) 5% of the average of the absolute value of the profit after tax as per the last three annual restated financial statements of IPAMC (i.e., for Fiscals 2025, 2024 and 2023) (“Materiality Threshold”).

We note that:

- 2% of the turnover of IPAMC as per the restated financial statements for fiscal 2025 is ₹936.5 million;
- 2% of the net worth of IPAMC as per the restated financial statements as on March 31, 2025 is ₹703.4 million; and
- 5% of the average of the absolute value of the profit after tax as per the last three annual restated financial statements of IPAMC (for Fiscals 2023, 2024 and 2025) is ₹1,036.0 million.

Accordingly, the lowest of the three thresholds above is ₹703.4 million (i.e. 2% of the net worth of IPAMC as per the restated financial statements as on March 31, 2025) and is considered as the Materiality Threshold.

B. where the monetary liability is not quantifiable for any other outstanding litigation, or the amount does not exceed the Materiality Threshold in an individual litigation, the outcome of any such pending proceedings may have a material and adverse bearing on the business, operations, performance, prospects or reputation of IPAMC; or

C. the decision in one case is likely to affect the decision in similar cases and the cumulative amount involved in all such cases exceeds the

Materiality Threshold, even though the amount involved in an individual litigation may not exceed the Materiality Threshold.

- (ii) Separately, and considering that ICICI Bank is listed on BSE Limited and National Stock Exchange of India Limited, and determines its material litigation disclosure items as per its materiality policy adopted in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations”), for the purpose of disclosing material civil litigation involving ICICI Bank, the materiality threshold to be the applicable threshold under the Listing Regulations, being ₹21,553.7 million (i.e. 5% of the average of the absolute value of the profit after tax as per the last three annual audited consolidated financial statements of ICICI Bank (for Fiscals 2023, 2024 and 2025) (“ICICI Bank Materiality Threshold”).
- (iii) Additionally, the following shall be considered material litigation in relation to ICICI Bank:
 - A. Outstanding litigations where monetary liability is not quantifiable for any other outstanding litigation, or the amount does not exceed the ICICI Bank Materiality Threshold in an individual litigation, the outcome of any such pending proceedings may have a material and adverse bearing on the business, operations, performance, prospect or reputation of ICICI Bank; or
 - B. Outstanding litigation where the decision in one case is likely affect the decision in similar cases and the cumulative amount involved in all such cases exceeds the ICICI Bank Materiality Threshold, even though the amount involved in an individual litigation may not exceed the ICICI Bank Materiality Threshold.
- (iv) Pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by statutory or regulatory authorities or notices threatening criminal action) and matters in which summons have not been received, shall not be considered material until such time that the Relevant Party, as the case may be, is impleaded as a defendant in litigation before any judicial or arbitral forum or until such time as the Company receives a summons in respect of such matter.
- (v) Civil proceedings, as a matter of routine, wherein the Company is arrayed as a pro-forma party in its capacity as the investment manager to the schemes and other services provided by the Company to its investors across various business segments, and wherein (a) no claim is made against the Company; (b) there is no monetary, financial or other implication on the Company; and (c) the Company is merely a party for the limited purposes of providing information/ documents from its records, shall not be considered material.

Based on the above, the following legal proceedings involving the Relevant Parties will be disclosed in the Offer Documents:

- (1) descriptive disclosures of all outstanding criminal proceedings;
- (2) descriptive disclosures of all outstanding actions by regulatory and statutory authorities;
- (3) descriptive disclosures of all disciplinary actions including penalty imposed by the Securities and Exchange Board of India or stock exchanges against the Promoters in the last five fiscal years including outstanding action;
- (4) consolidated disclosure of all direct and indirect tax matters and descriptive disclosure of all direct and indirect tax matters that exceed the materiality thresholds set out above; and
- (5) material civil and arbitration proceedings, based on the thresholds set out above.

2. Litigation involving group companies

Under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), any litigation involving the group companies is required to be disclosed if it has a material impact on IPAMC. Litigation involving the group companies will be disclosed based on the disclosures in the standard certificates provided by the respective group companies. All group companies will identify pending litigation involving such companies which are considered material by the respective group company and which, in their view may have a material impact on IPAMC.

3. Litigation involving the key managerial personnel and members of the senior management

Under the SEBI ICDR Regulations, as amended by way of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2025, additional disclosures are required to be included in relation to (i) outstanding criminal cases involving the key managerial personnel and members of the senior management; and (ii) outstanding action by regulatory and statutory authorities against the key managerial personnel and members of the senior management. Litigation involving the key managerial personnel and members of the senior management will be disclosed basis disclosures in the standard certificates provided by the respective key managerial personnel and members of the senior management.