

## **Policy for appointment of statutory auditors of the Bank under Indian GAAP**

In terms of the extant RBI guidelines, ICICI Bank (the Bank) has adopted the following policy with regard to appointment of statutory auditors of the Bank.

### **I. Appointment of the statutory auditors**

The appointment of statutory auditors will be for three continuous years, subject to audit firms continuing to comply with the eligibility norms. The Bank will obtain prior approval of RBI for appointment/re-appointment of statutory auditors on an annual basis. The statutory auditors of the Bank will be appointed at the general meeting of shareholders of the Bank. The audit firm will not be eligible for re-appointment in the Bank for a period of six years after completion of full or part tenure in the Bank.

The audit fee of the statutory auditors will be fixed at the general meeting of the shareholders based on recommendation by the Board of the Bank.

### **II. Number of statutory auditors**

The statutory audit will be conducted under joint audit of a minimum of two audit firms (Partnership firms/Limited Liability Partnerships). The Audit Committee will decide on the number of joint statutory auditors, taking into account the relevant factors such as the size and spread of assets, accounting and administrative units, complexity of transactions, level of computerisation, availability of other independent audit inputs, identified risks in financial reporting, etc.

The work allocation between joint auditors will be finalised by the Bank in consultation with the Audit Committee of the Bank.

### **III. Eligibility criteria of the statutory auditors**

The statutory auditors should fulfil the eligibility norms as prescribed in the RBI guidelines and the Companies Act, including, number of full-time partners, number of Fellow Chartered Accountants (FCAs), number of full time partners/paid CAs with CISA/ISA qualification, number of years of audit experience of the firm, minimum number of professional staff and eligibility in terms of Section 141 of the Companies Act, 2013.

#### **IV. Independence of the statutory auditors**

The concurrent auditors of the Bank will not be considered for appointment as statutory auditors. The audit of the Bank and any entities with large exposure to the Bank for the same reference year will also be factored in while assessing the independence of the auditors. The time gap between any non-audit works (services mentioned at Section 144 of Companies Act, 2013, Internal assignments, special assignments, etc.) by the statutory auditors for the Bank or any audit/non-audit works for its RBI regulated group entities should be at least one year, before or after its appointment as statutory auditors. However, during the tenure as statutory auditors, an audit firm may provide such services to the Bank and its RBI regulated group entities which may not normally result in a conflict of interest. These restrictions will also apply to an audit firm under the same network of audit firms (as defined in rule 6(3) of the Companies (Audit & Auditors) Rules, 2014) or any other audit firm having common partners.

If an audit firm engaged with audit/non-audit works for the Group entities (which are not regulated by RBI) is being considered by the Bank, the Audit Committee will evaluate that there is no conflict of interest and independence of auditors is ensured.

The Audit Committee will monitor and assess the independence of the statutory auditors and conflict of interest position in terms of relevant regulatory provisions, standards and best practices. Any concerns in this regard will be flagged to the Board and concerned Senior Supervisory Manager (SSM) of RBI.

#### **V. Review of the performance of statutory auditors**

The Audit Committee of the Bank will review the performance of the statutory auditors on an annual basis. Any serious lapses/negligence in audit responsibilities or conduct issues on the part of the statutory auditors or any other relevant matter will be reported to the RBI within two months of completion of annual audit after approval from the Audit Committee.

#### **VI. Auditors for overseas branches of the Bank**

The auditors for the overseas branches will be appointed every year. The accounts of overseas branch offices will be audited either by the Bank's statutory auditors or by an accountant or by any other person duly qualified to act as an auditor of the accounts of the branch office in accordance with the laws of that country.

#### **VII. Effective date and review of the Policy**

The policy will be effective from the year ending March 31, 2022 and will be updated based on any change in guidelines by RBI or any changes recommended by Audit Committee and Board, subject to RBI approval.