



**FINO PAYMENTS BANK LIMITED**

**Code of Conduct to Regulate, Monitor and Report Insider Trading**

**Document Review and Approval Revision history**

	<b>Summary of Change</b>	<b>Prepared By</b>	<b>Reviewed by</b>	<b>Recommended by (Mgt. Com)</b>	<b>Approved by</b>	<b>Ver No.</b>	<b>Effective Date</b>
1	First Release	Basavraj Loni - AVP Legal and Company Secretary	Ketan Merchant - Chief Financial Officer	N.A.	Board of Directors	1.0	November 12, 2021
2	Revision of the Code	Basavraj Loni - VP Legal and Company Secretary	Ketan Merchant - Chief Financial Officer	N.A.	Board of Directors	2.0	July 27, 2022
3	Revision of the Code	Basavraj Loni - VP Legal and Company Secretary	Ketan Merchant - Chief Financial Officer	N.A.	Board of Directors	3.0	<i>January 29, 2025</i>

## Code of Conduct to Regulate, Monitor and Report Trading by Insiders

1. This Code of Conduct will be known as “Fino Payments Bank Limited - Code of Conduct to Regulate, Monitor and Report Trading by Insiders” (hereinafter referred to as “Code”).
2. This Code has been made pursuant to Regulation 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time (hereinafter referred to as the “Regulations” or “Insider Trading Regulations”) read with Schedule B of the Insider Trading Regulations and supersedes the earlier Code, which requires bank to regulate, monitor and report trading of the designated person, immediate relatives of the designated persons towards achieving compliance with this regulation..

The main objective of the Code is to prevent persons who have access to unpublished price sensitive information (“UPSI”) relating to the Bank and / or its Securities to misuse such information and / or profit from such information. The Code lays down guidance for Designated Persons and their Immediate Relatives, to understand their obligations under the PIT Regulations, including the procedures to be followed at the time of trading in the securities of and dealing with UPSI related to the Bank or its Securities.

This Code covers the Designated Persons of Fino Payments Bank Limited (“Bank” or “Company”) and their Immediate Relatives and other Insiders.

### 3. Definitions:

- (a) “Act” means the Securities and Exchange Board of India Act, 1992 (15 of 1992) including any rules and regulations made pursuant to the Act.
- (b) “Board” means the Board of Directors of the Company.
- (c) “Compliance Officer” means any senior officer, designated so and reporting to the board of directors who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in the Regulations under the overall supervision of the board of directors of the Company.

Explanation- For the purpose of this Code, “financially literate” shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

- (d) “Connected Person” means, -
  - (i) any person who is or has during the six months prior to the concerned act, associated with the Company, in any capacity, directly or indirectly, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
  - (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -
    1. a relative of connected persons specified in clause (i); or
    2. a holding company or associate company or subsidiary company; or
    3. an intermediary as specified in section 12 of the Act or an employee or director thereof; or
    4. an investment company, trustee company, asset management company or an employee or director thereof; or
    5. an official of a stock exchange or of clearing house or corporation; or

6. a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
  7. a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
  8. an official or an employee of self-regulatory organization recognized or authorized by the Board; or
  9. a banker of the Company; or
  10. a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his relative or banker of the Company, has more than ten per cent. of the holding or interest; or
  11. a firm or its partner or its employee in which a connected person specified in sub-clause (i) of clause (d) is also a partner; or
  12. a person sharing household or residence with a connected person specified in sub-clause (i) of clause (d).
- (e) **“Contra Trade”** means a trade or transaction which involves buying or selling any number of shares of the Company and within 6 months trading or transacting in an opposite transaction involving sell or buy following the prior transaction.
- (f) **“Designated Person”** shall cover all employees whether contractual or otherwise, or any person including persons / entities stated under Regulation 9(4) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and other connected persons as defined under Regulation 2(d) of the SEBI (prohibition of Insider Trading) (Amendment) Regulations, 2018. The term Designated Persons include:
- i. Promoters and members of the promoter group of the Company;
  - ii. Directors of the Company;
  - iii. Chief Executive Officer (‘CEO’) or any equivalent officer and employees (up to two levels below the CEO irrespective of their functional roles or ability to have access to unpublished price sensitive information);
  - iv. Employees of the Company, who due to their functional role/ position in the Company, can be reasonably expected to have access to UPSI;
  - v. All employees of the ‘Finance’, ‘Accounts’, ‘Taxation’, ‘Legal and Secretarial’, irrespective of their grade;
  - vi. Support staff including employees of IT function, who have access to UPSI, or who can reasonably, be expected to have access to UPSI;
  - vii. Immediate Relatives of persons specified in (i) to (vi) above.
- (g) **“Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis and does not include unverified event or information reported in print or electronic media.
- (h) **“Immediate Relatives”** means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.
- (i) **“Insider”** means any person who is:
- i. a connected person; or
  - ii. in possession of or having access to unpublished price sensitive information;
- (j) **“Promoter”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- (k) **“Promoter Group”** shall have meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereto.
- (l) **“Relatives”** shall mean the following:
- (i) spouse of the person;
  - (ii) parent of the person and parent of its spouse;
  - (iii) sibling of the person and sibling of its spouse;

- (iv) child of the person and child of its spouse;
  - (v) spouse of the person listed at sub-clause (iii); and
  - (vi) spouse of the person listed at sub-clause (iv)
- (m) **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof.
- (n) **"SEBI"** means Securities and Exchange Board of India.
- (o) **"Takeover Regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- (p) **"Trading"** means and includes subscribing, redeeming, switching, buying, selling, dealing, pledging or agreeing to subscribe, redeem, switch, buy, sell, deal, pledge or gift of any securities, and "trade" shall be construed accordingly;
- (q) **"Trading Day"** means a day on which the recognized stock exchanges are open for trading.
- (r) **"Unpublished Price Sensitive Information"** means any information, relating to the Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –
- i. financial results;
  - ii. dividends;
  - iii. change in capital structure;
  - iv. mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
  - v. changes in key managerial personnel;
  - vi. any information as determined by the Board.
- (s) **"Key Managerial Personnel"**, in relation to the Company, means—
- i. Managing Director;
  - ii. Chief Financial Officer;
  - iii. Company Secretary; or
  - iv. such other officer as may be prescribed under the Companies Act, 2013 and the rules made thereunder.

Words and expressions used but not defined in this Code will have the same meaning as contained in (i) Insider Trading Regulations (ii) the Securities and Exchange Board of India Act, 1992 (iii) the Companies Act, 2013 (iv) Securities (Contract) Regulation Act, 1956 and (v) The Depositories Act, 1996 read with rules framed thereunder, as may be modified from time to time.

### **Compliance Officer**

"Compliance Officer" shall mean such senior officer so designated by the Board, and reporting to the Board, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the Code and any other guidelines or framework issued by the Company for the preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of the Code under the overall supervision of the Board, as the case may be.

### **Functions, duties and responsibilities of the Compliance Officer**

The Compliance Officer, subject to the supervision of the Board of Directors ("**Board**") shall be responsible for:

- (1) Setting forth policies and procedures under the Code, monitoring adherence to the Code and Regulations for the preservation of

the Unpublished Price Sensitive Information, approval of trading plan, pre-clearance of trades and monitoring of trades and implementation of this Code.

- (2) Maintaining the record of the Designated Persons and incorporate changes from time to time.
- (3) Assisting all employees in addressing any clarifications in the Regulations or this Code.
- (4) Advising all Designated Persons not to trade in securities of the Company when the Trading Window is closed.
- (5) Advising all Designated Persons to furnish the details of transactions in the Securities of the Company as stated in this Code in the prescribed form and to maintain a record of all the intimations received for a period of at least five years.
- (6) Obtaining disclosures from the Designated Persons and to furnish information, in respect of the disclosures received, to all the stock exchanges where the Securities are listed on a periodic basis and to the Depositories, as applicable.
- (7) Maintaining record of all the declarations/ disclosures in the appropriate form given by the Designated Persons and their Immediate Relatives for a minimum period of 5 (five) years;
- (8) Pre-clearing of trades of Designated Persons and their Immediate Relatives and ensuring related compliances;
- (9) Reviewing Trading Plans, if any, to assess whether such plans would have any potential for violating the PIT Regulations, approving and monitoring the implementation of the Plan;
- (10) Monitoring trades of Designated Persons and their Immediate Relatives;
- (11) Maintaining and monitoring the Digital Database containing the details of Designated Persons with whom any Unpublished Price Sensitive Information has been shared or who may have access to any Unpublished Price Sensitive Information of the Company, in the ordinary course of business and for Legitimate Purpose or in relation to substantial transactions involving takeovers, mergers or acquisitions or any other purpose in accordance with this Code;
- (12) Monitor implementation of the Code of Conduct and other requirements under the PIT Regulations and to inform the stock exchanges where the Securities of the Bank are listed, in case of any violation of the PIT Regulations in the prescribed format and maintain a database of all such violations of the Code;
- (13) Maintaining records of all disclosures as stated in this Code and to report to the Board and in particular, provide reports, on a half yearly basis to the Chairman of the Audit Committee or to the Chairman of the Board at such frequency as may be stipulated by the Board but not less than once in a year;
- (14) Providing reports to the Audit Committee of the Board and to the Board of Directors on a quarterly basis on the compliance status and such other additional reports as the situation may warrant; and
- (15) Assisting all the employees in addressing any clarifications regarding the Regulations and this Code.

#### **Communication or procurement of unpublished price sensitive information**

- (1) All Unpublished Price Sensitive Information is to be handled on a "need to know" basis. It should be disclosed only to those within the Company who need the information for legitimate purposes, to discharge their duty or to discharge their legal obligations.
- (2) No Insider shall communicate, provide, or allow access to any Unpublished Price Sensitive Information, relating to the Company or its Securities, to any person including other Insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

- (3) Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc.
- (4) No person shall procure from or cause the communication by any Insider of Unpublished Price Sensitive Information, relating to the Company or its securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations in accordance with this Code.
- (5) The Board shall formulate a policy for determination of "legitimate purposes" as a part of "Codes of Fair Disclosure and Conduct" formulated under regulation 8 of the Regulations.
- (6) Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" or any other purpose shall be considered an "insider" for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with the Code and Regulations.
- (7) Notwithstanding anything contained above, an Unpublished Price Sensitive Information may be communicated, provided, allowed access to or procured, in connection with a transaction which:–
  - (i) entails an obligation to make an open offer under the Takeover Regulations where the Board is of informed opinion that sharing of such information is in the best interests of the Company;
  - (ii) entails not attracting the obligation to make an open offer under the Takeover Regulations but where the Board is of informed opinion that sharing of such information is in the best interests of the Company and the information that constitutes Unpublished Price Sensitive Information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board may determine to be adequate and fair to cover all relevant and material facts.
- (8) For purposes of para (7) above, the Board shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of sub-clause (7) above, and shall not otherwise trade in securities of the Company when in possession of Unpublished Price Sensitive Information.
- (9) The Board shall ensure that a structured digital database is maintained containing the nature of Unpublished Price Sensitive Information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under the Regulations along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.
- (10) The Board shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

#### **Restriction on Trading when in possession of Unpublished Price Sensitive Information**

- (1) No Insider shall trade in securities of the Company when in possession of Unpublished Price Sensitive Information provided that the Insider may present his / her innocence by demonstrating the circumstances including the following: –
  - (i) the transaction is an off-market inter-se transfer between Insiders who were in possession of the same Unpublished Price Sensitive Information without being in breach of regulation 3 of the Regulations and both parties had made a conscious and informed trade decision.

Provided that such Unpublished Price Sensitive Information was not obtained under Regulation 3(3) of these regulations.

Such off-market trades shall be reported by the Insiders to the Company within two working days. The Compliance Officer shall notify the particulars of such trades to the stock exchanges on which the Securities are listed within two trading days from receipt of the disclosure or from becoming aware of such information.

- (ii) the transaction was carried out through the block deal window mechanism between Insiders who were in possession of the Unpublished Price sensitive information without being in breach of regulation 3 of the Regulations and both parties had made a conscious and informed trade decision;

Provided that such Unpublished Price Sensitive Information was not obtained under Regulation 3(3) of these regulations.

- (iii) the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.

- (iv) the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.

- (v) in the case of non-individual insiders: –

a. the individuals who were in possession of such Unpublished Price Sensitive Information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such Unpublished Price Sensitive Information when they took the decision to trade; and

b. appropriate and adequate arrangements were in place to ensure that the Regulations are not violated and no Unpublished Price Sensitive Information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached.

- (vi) the trades were pursuant to a trading plan as per this Code.

- (2) Insiders shall maintain the confidentiality of all unpublished price sensitive information. They shall, while in possession of any unpublished price sensitive information, neither trade in the securities of the Company on the basis of unpublished price sensitive information nor pass on such information to any person directly or indirectly by way of making a recommendation for trading in securities of the Company.
- (3) Every Designated Person or his/her Immediate Relative who is in receipt of UPSI regarding the Company or its Securities pursuant to legitimate purpose or on a need-to-know basis or in any other manner as provided in this Code or the SEBI Regulations, are required to provide the details including, their name, PAN and other details as may be required to maintain Company's digital database. Such data shall be maintained with adequate time stamping and audit trails to avoid tampering.

### **Trading Plans**

- (1) An Insider shall be entitled to formulate a Trading Plan for dealing in the securities of the Bank in line with the requirements under the PIT Regulations and present it to the Compliance Officer for approval and for public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.
- (2) Such trading plan shall:–
- i. not entail commencement of trading on behalf of the Insider earlier than one hundred and twenty calendar days from the public disclosure of the plan;
  - ii. not entail overlap of any period for which another trading plan is already in existence;
  - iii. set out following parameters for each trade to be executed:
    - either the value of trade to be effected or the number of securities to be traded;



- nature of the trade;
- either specific date or time period not exceeding five consecutive trading days;
- price limit, that is an upper price limit for a buy trade and a lower price limit for a sell trade, subject to the range as specified below:
  - for a buy trade: the upper price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent higher than such closing price;
  - for a sell trade: the lower price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent lower than such closing price.

Provided that if the insider has set a price limit for a trade under this clause, then the Insider shall execute the trade only if the execution price of the security is within such limit. If price of the security is outside the price limit set by the insider, the trade shall not be executed.

iv. not entail trading in securities for market abuse.

- (3) The Compliance Officer shall review the trading plan to assess whether the plan is likely to violate the Regulations and shall be entitled to seek express undertaking to the effect that (i) the person is not in possession of Unpublished Price Sensitive Information; or (ii) he would ensure that any Unpublished Price Sensitive Information in his possession becomes generally available before he commences his trades; or such other undertaking as may be necessary to enable such assessment and to approve and monitor the implementation of the plan. The Compliance Officer may thereafter approve the plan. Provided that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan. Provided further that trading window norms shall not be applicable for trades carried out in accordance with an approved trading plan.
- (4) The compliance officer shall approve or reject the trading plan within two trading days of receipt of the trading plan and upon approval of the Trading Plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed, on the day of approval. In case of Trading Plan submitted by the Compliance officer of the Bank, MD & CEO of the Bank shall approve or reject the said trading plan within two trading days of receipt of trading plan.
- (5) The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either execute any trade in the securities outside the scope of the trading plan or to deviate from it except due to permanent incapacity or bankruptcy or operation of law.
- (6) Provided that the implementation of the trading plan shall not be commenced if any UPSI in possession of the Insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation of plan.
- (7) In case of non-implementation (full/partial) of trading plan due to either reasons or failure of execution of trade due to inadequate liquidity in the scrip, the following procedure shall be adopted:
- i. The insider shall intimate non-implementation (full/partial) of trading plan to the compliance officer within two trading days of end of tenure of the trading plan with reasons thereof and supporting documents.
  - ii. Upon receipt of information from the insider, the compliance officer, shall place such information along with his recommendation to accept or reject the submissions of the insider, before the Audit Committee in the immediate next meeting. The Audit Committee shall decide whether such non-implementation (full/partial) was bona fide or not.
  - iii. The decision of the Audit Committee shall be notified by the compliance officer on the same day to the stock exchanges on which the securities are listed.
  - iv. In case the Audit Committee does not accept the submissions made by the insider, then the compliance officer shall take action as prescribed by the Audit Committee.
- (8) However, the implementation of the Trading Plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any Unpublished Price Sensitive Information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Trading Plan shall be deferred until such Unpublished Price Sensitive Information becomes generally available information. Further, the Insider shall also not be allowed to deal in securities of the Bank, if the date of trading in securities of the Bank, as per the approved Trading Plan, coincides with the date of closure of trading window as announced by the Compliance Officer.

## Trading Window

- (1) Designated Persons may execute trades subject to compliance with this Code and the Regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the Designated Persons. The trading window shall be closed when the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of Unpublished Price Sensitive Information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates. Designated Persons and their immediate relatives shall not trade in securities when the trading window is closed.
- (2) The trading window restrictions shall also be applicable to any person having contractual or fiduciary relationship with the Company, such as auditors, accountancy firms, law firms, analyst, consultants, etc. and their immediate relative, assisting or advising the Company.
- (3) The notice of closure of trading window intimated to the Stock Exchanges, if any, wherever the securities of the Company are listed, by the Compliance Officer, shall be deemed as intimation to the Designated Persons / Insiders for adherence and compliance with this Code.
- (4) The timing for re-opening of the trading window shall be determined by the Compliance Officer taking into account various factors including the Unpublished Price Sensitive Information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.
- (5) The "Trading Window" shall, inter-alia, remain closed from:
  - i. the first day of the month following the respective quarter, half-year or financial year, as the case may be for declaration /publication of the annual /half yearly /quarterly financial results or recommendation/ declaration of dividend, until 48 hours after the said results/dividend detail is made generally available; and
  - ii. the actual date of board meeting/committee meeting; until 48 hours after the decision is made generally available, wherein, decision is required to be taken on the following matters:
    - change in capital structure;
    - mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
    - changes in Key Managerial Personnel; and
    - such other information as may be deemed as UPSI by the Board or the Compliance Officer from time to time.
- (6) Trading Window may be closed by the Company during such time in addition to the above period, as it may deem fit by the Compliance Officer.
- (7) Permitted transactions by Insiders including Designated Persons and Immediate Relatives of Designated Persons while the Trading Window is closed:
  - a. Transaction arising out of a statutory or regulatory obligation to carry out a bona fide transaction;
  - b. Transaction pursuant to exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations;
  - c. Trades pursuant to a Trading Plan;
  - d. Pledge of shares for a bona fide purpose like raising of funds, subject to preclearance by the Compliance Officer and compliances with the respective regulations made by SEBI;
  - e. Transactions undertaken in accordance with respective regulations made by SEBI such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buyback offer, open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by SEBI from time to time.

## **Pre-clearance of Trades**

- (1) When the trading window is open, trading by Designated Persons and their immediate relatives shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed trades exceeds Rs. Ten Lakhs during any calendar quarter. Designated Person/their Immediate Relatives shall apply for pre-clearance of any proposed trade if they are in possession of Unpublished Price Sensitive Information even if the trading window is not closed and does not exceed threshold limit.
- (2) Designated Persons / their Immediate Relatives intending to deal in the Securities of the Company upto the threshold limit, as defined and provided hereinbefore, may do so without any pre- clearance from the Compliance Officer. In all other cases, they should pre-clear the transactions as per the pre-dealing procedure as provided hereinafter.
- (3) Designated Persons / their Immediate Relatives shall make an application in the prescribed format, to the Compliance Officer indicating the estimated number of securities that he/she intends to deal in and other details as may be required by the Compliance Officer in this regard.
- (4) The persons referred to in paragraph (3) above shall execute an undertaking in favour of the Company, incorporating, therein, inter alia, the following clauses:
  - that he/she does not have any access or has not received Unpublished Price Sensitive Information upto the time of signing the undertaking;
  - that in case he/she has access to or receives Unpublished Price Sensitive Information after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of such event and that he/she shall completely refrain from dealing in the securities of the Company till the time such information becomes generally available;
  - that he/she has not contravened any provisions of this Code and the Regulations;
  - that he/she has made a full and true disclosure in the said matter.
- (5) The Compliance Officer shall confidentially maintain a list of such securities of the other listed entities as a “restricted list” which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.
- (6) Designated Persons / their Immediate Relatives shall execute their transactions in respect of securities of the Company within seven trading days after the approval of pre-clearance is given failing which the transaction has to be pre-cleared again. Reporting of trades executed or decisions not to trade and recording of such reasons shall be made/done in the prescribed format. Such persons shall not execute a contra trade during the six months following the prior transaction. In case of emergency, the six months holding period may be waived by the Compliance Officer (application to be made in the prescribed format) after recording in writing the reasons in this regard provided that such relaxation does not violate this Code/ Regulations.
- (7) In case of the Compliance Officer intending to deal in the securities of the Company beyond the threshold limit, the pre-clearance of the Managing Director or in his absence, the Chairman of the Board, will have to be obtained. Similarly, in case of emergency Compliance Officer may obtain the waiver from the Managing Director or in his absence, the Chairman of the Board, provided that such relaxation does not violate this Code/ Regulations.
- (8) In case a contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the SEBI for credit to the Investor Protection and Education Fund administered by the SEBI under the Act.
- (9) Provided further that undertaking a contra trade in securities acquired through buy back offers, open offers, rights issues, further public offer, bonus offers, exit offers etc, as permitted by SEBI Regulations shall be permitted.

## **Reporting Requirements.**

### **Initial Disclosures**

Every person on appointment as a Director or a Key Managerial Personnel of the Company or upon becoming a Promoter or member of the Promoter Group shall disclose his/her holding of securities of the Company as on the date of appointment or becoming a Promoter, to the Company within seven days of such appointment or becoming a Promoter in the prescribed format.

### **Annual Disclosure**

Designated persons shall be required to disclose names and Permanent Account Number, or any other identifier authorized by law of the following persons to the Company on an annual basis within 30 days from end of the financial year and as and when the information changes:

- a) immediate relatives;
- b) persons with whom such designated person(s) shares a material financial relationship;
- c) Phone, mobile and cell numbers which are used by them.

In addition, the names of educational institutions from which Designated Persons have graduated and names of their past employers shall also be disclosed on a one-time basis.

As prescribed by the Regulations, every Connected Person shall be liable to disclose their holdings and trading in the securities of the Bank, if required, by the Bank from time to time.

### **Continual Disclosures**

- (1) Every Promoters, members of the Promoter Group, Directors, Designated Persons of the Company and their immediate relatives shall disclose to the Company in Form C or any other format as prescribed by the Regulations, unless any other Form is specified by the Board, stating the number of such securities acquired or disposed of within two trading days of such transaction, if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, exceeds ten lakh rupees or such other value as may be specified;
- (2) The Compliance Officer shall notify the particulars of such trading to the stock exchanges on which the securities are listed, as applicable, within two trading days of receipt of the disclosure or from becoming aware of such information.

Provided that the requirement of intimation of the particulars of the aforesaid trades to the stock exchanges shall not be applicable in the cases which are compliant with System Driven Disclosure requirements prescribed by SEBI vide SEBI circular no. SEBI/HO/ISD/ISD/CIR/P/2020/168 dated September 09, 2020 and SEBI/HO/ISD/ISD/CIR/P/2021/617 dated August 13, 2021 or any other circular issued by SEBI in this regard.

- (3) The disclosure of the incremental transactions after any disclosure shall be made by persons as specified in (1) above, when the transactions effected after the prior disclosure crosses the threshold specified in this clause.

Note: 1. Trading in Securities shall also include trading in derivatives of Securities and the traded value of the derivatives shall be taken into account for the purpose of making Initial/Continual disclosures as required. 2. Disclosures made above shall include those relating to trading by such person's Immediate Relatives and by any other person for whom such person takes trading decisions.

### **Preservation of disclosures**

The disclosures made under the Regulations shall be maintained by the Compliance Officer, for a minimum period of five years.

### **Institutional mechanism for prevention of insider trading**

The Managing Director & CEO in consultation with the Compliance Officer shall put in place adequate and effective system of internal controls to ensure compliance with the Code and the Insider Trading Regulations, including ensuring inter-alia the following:

- a. Identification of employees having access to Unpublished Price Sensitive Information as Designated Persons and updation of necessary information pertaining to these Designated Persons in the Digital Database of the Company;
- b. Identification, preservation and maintenance of confidentiality of Unpublished Price Sensitive Information until it become Generally Available Information in accordance with this Code and the Insider Trading Regulations;
- c. Restriction on communication and procurement of Unpublished Price Sensitive Information as per this Code and the Insider Trading Regulations;
- d. Maintenance of Digital Database containing names of all Designated Persons and other persons with whom Unpublished Price Sensitive Information is shared and confidentiality agreements signed or notices sent / served on such Designated Persons or other persons;
- e. Compliance of this Code and Insider Trading Regulations;
- f. Periodic reporting to Audit Committee; and
- g. Any other matter required for compliance with the Insider Trading Regulations.

The Compliance Officer in consultation with the Chairman of Audit Committee shall have the power to set forth any additional guidelines or procedures required for maintaining adequate and effective internal controls under this Code and ensuring compliance with the Insider Trading Regulations.

Along with other mechanisms the company to prevent the misuse of confidential information, the company has adopted a "Chinese Wall" policy which separates those areas of the organization which routinely have access to UPSI, considered "inside area" from those areas which deal with acquisition/sale/investment advice or other departments providing support services, considered "public area".

The employees in the inside area shall not communicate any UPSI to any one in public area. The employees in inside area shall be segregated from employees in public area.

In exceptional circumstances employees from the public area may be brought "over the wall" and given UPSI on the basis of "need to know" criteria, after intimation to the Compliance Officer.

### **Penalty for non-compliance of this Code**

- (1) In case of any violation of this Code or the Regulations, the Compliance Officer shall report to the Audit Committee and inform the stock exchanges in the format specified by SEBI. Further, if anyone, to whom the Code is applicable, contravenes any provisions of this Code, may be penalized and appropriate action may be taken by the Company in accordance with the Penalty Matrix enclosed as Annexure -.
- (2) Any action by the Company shall be in addition to and not in substitution of any actions undertaken by SEBI in case of violation of the Regulations or the Code and should not be construed as limiting in any manner the ability of SEBI to independently initiate or undertake regulatory scrutiny or enforcement actions.
- (3) Further, any amount collected by the company by virtue of levying a monetary penalty for any contravention / non-compliance of the Code / Regulations shall be remitted to SEBI by way of credit to the Investor Protection and Education Fund ("**IPEF**") administered by SEBI under the SEBI Act.

### **General**

Subject to the provisions of this Code, the decision of the Board with regard to any or all matters relating to this Code shall be

final and binding on all concerned.

**Amendment/Review:**

The Code shall be reviewed atleast once in a year and as and when required on account of change in circumstances/ regulatory amendments. The Audit Committee shall have the power to modify, amend or replace this Code in part or full, as may be thought fit from time to time and recommend the same to the Board for its approval.

**Conflict in the policy**

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down or mentioned under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

## Annexure

Nature of violation(s)	Penalties
	<ul style="list-style-type: none"> <li>• Any of the following actions or combination thereof, as may be decided by the Compliance Officer in consultation with the Audit Committee</li> <li>• Penalties mentioned in this column may be levied for all/any of the offences/violations mentioned herein</li> </ul>
<b>A. Procedural or technical non – compliance</b>	
1. Non – reporting / delayed reporting of transaction(s) executed post pre-clearance within the stipulated timelines	<ul style="list-style-type: none"> <li>• Written reprimand by the Compliance Officer for first instance of non – compliance</li> <li>• Rs. 5000 penalty for second repeated instance of non – compliance</li> <li>• Rs. 25,000 penalty for third repeated instance of non – compliance.</li> </ul>
2. Non – submission/delayed submission of requisite disclosures within the timelines specified by the Regulations or Code	
3. Executing transactions after expiry of pre – clearance period	
<b>B. Substantial non – compliance</b>	
1. Trading in securities of value (including trading in derivatives), more than Rs. 1 lac: <ul style="list-style-type: none"> <li>• during closure of trading window or</li> <li>• without pre-clearance or</li> <li>• when in possession of UPSI</li> </ul> 2. Execution of contra Trade in securities of value more than Rs. 1 lac, during 6 (six) consecutive months	<ul style="list-style-type: none"> <li>• For first instance Written reprimand by the Compliance Officer;</li> <li>• For second repeated instance - Monetary penalty which may extend upto higher of the following:               <ul style="list-style-type: none"> <li>○ Rs. 25,000 or</li> <li>○ the amount of gain or loss avoided; and/or</li> </ul> </li> <li>• For third repeated instance - Monetary penalty which may extend upto higher of the following:               <ul style="list-style-type: none"> <li>○ Rs. 50,000 or</li> <li>○ two times of amount of gain or loss avoided; and/or</li> <li>○ Change of role or cancellation of promotion due, if any of the concerned employee.</li> </ul> </li> </ul>
3. Trading in securities of value less than Rs. 1 lac (including trading in derivatives): <ul style="list-style-type: none"> <li>• during Quiet Period or</li> <li>• without pre-clearance or</li> <li>• when in possession of UPSI</li> </ul> 4. Execution of contra Trade in securities of value less than Rs. 1 lac, during 6 (six) consecutive months	<ul style="list-style-type: none"> <li>• For first instance Written reprimand by the Compliance Officer;</li> <li>• For second repeated instance - Monetary penalty which may extend upto higher of the following:               <ul style="list-style-type: none"> <li>○ Rs. 5,000 or</li> <li>○ the amount of gain or loss avoided; and/or</li> </ul> </li> <li>• For third repeated instance - Monetary penalty which may extend upto higher of the following:               <ul style="list-style-type: none"> <li>○ Rs. 10,000 or</li> <li>○ two times of amount of gain or loss avoided; and / or</li> <li>○ Change of role or cancellation of promotion due, if any of the concerned employee.</li> </ul> </li> </ul>
5. Procurement or communication of UPSI in contravention of Regulations / Code; or making recommendations, directly or indirectly, based on UPSI; or sharing of UPSI without entering into confidentiality agreement / without issuing due notice	<ul style="list-style-type: none"> <li>• Monetary penalty which may extend to Rs. 1,00,000; and/or</li> <li>• Suspension or termination or change of role or cancellation of promotion due, if any of the concerned employee.</li> </ul>

6. Repeated violations of the Regulations or Code	<p>In case of repeated violations (including trading in derivatives, contra trade):</p> <ul style="list-style-type: none"> <li>• twice the penalty to be levied as per B (1 to 5) above along with written reprimand from the Compliance Officer; and/or</li> <li>• suspension or termination or change of role or cancellation of promotion due, if any of the concerned employee of the concerned employee.</li> </ul>
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- In the event of non-compliance by Designated Persons such cases shall be referred to the Audit Committee, which may decide the penalty based on the facts of each case in line with aforementioned Penalty Matrix. The Audit Committee may in turn refer the matter to the Board in cases involving Promoters or Directors or Key Managerial Personnel of the Company. In the event, the violation is by the Compliance Officer or involves the Chairperson of the Audit Committee, then the matter shall be referred to the Board.
- The Compliance Officer shall refer any case or matter involving a violation / contravention of serious nature, to the Audit Committee.
- In case of non-compliance wherein there has been a contra trade in securities, during 6 (six) consecutive months following prior Trade, then profits from such trades shall be disgorged to the Investor Protection and Education Fund (IPEF) set up by Securities and Exchange Board of India (SEBI).
- The monetary penalty shall be deposited with the IPEF established by SEBI.
- The above actions will be without prejudice to any civil or criminal action that the regulatory authorities or the Bank may initiate against such Designated Person(s).