

Code of Internal Procedures and Policy on Prohibition of Insider Trading in Dealing with the Securities of the Company

[Pursuant to SCHEDULE B to sub-regulation (1) and sub-regulation (2) of regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015]

Objective:

This Insider Trading Policy is enforced to maintain the highest ethical standards of dealing in securities of the Company by persons to whom it is applicable. The provisions of the Insider Trading Policy are designed to regulate, monitor and report trading by Insiders in the securities of the Company.

This code has been adopted by the Board of Directors (the “Board”) at its meeting held on April 16, 2018 and the same shall become effective from the date of listing of equity share of the Company with the Stock Exchanges.

Definitions:

Compliance Officer means the Officer appointed by the Board of Directors at its meeting 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information (UPSI), monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of Phoenix Overseas Limited (PHOENIX).

a. Connected Persons

Any person shall be recognized as connected person who is or has during the six months prior to the concerned act has been -

- 1. Associated with the company directly or indirectly, in any capacity;*
- 2. In frequent communication with officers of the company;*
- 3. In any contractual, fiduciary or employment relationship;*
- 4. Director, officer or an employee of the company or holds any position including a business or professional relationship between him and the company whether temporary or permanent, that allows such person directly or indirectly access to UPSI or is reasonably allowed to such access. There is an inclusive list of persons who are under the ambit of "connected person". Here it encompasses all people who may not occupy any position of the company but is in regular touch with the company and its officers who are involved in the know-how of companies operations. It includes (i) an immediate relatives, (ii) a holding / associate / subsidiary company, (iii) an intermediary / an employee / director thereof, (iv) an investment company, (v) trustee company, (vi) asset management company / an employee / director thereof; (vii) an official of Stock Exchange / of clearing house / corporation; (viii) a member of board of trustees of a mutual fund / member of Board of Directors of asset management company of mutual fund / is an employee thereof; (ix) a member of board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; (x) an official or an employee of a self-regulatory organization recognized or authorized by the Board; (xi) a banker of the company; a*

concern, firm, trust, HUF, company / association of persons wherein a director of a company / his immediate relative / banker of the company, has more than 10% of holding / interest.

b. Immediate Relative

1. Spouse of the person
2. Parent, sibling and child of such person, or of the spouse
3. Any of whom is either dependent financially on such person or consults such person in taking decisions relating to trading in securities.

c. Insider

Insider is a person who is :

1. A connected person
2. In possession of UPSI

Anyone in possession of or access to UPSI should be considered as an insider regardless of how one came in the possession of or had access to such information.

d. Unpublished Price Sensitive Information

means any information, relating to a 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:

1. financial results;
2. dividends;
3. change in capital structure;
4. mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
5. changes in key managerial personnel; and
6. material events in accordance with the listing agreement.

e. Designated Persons shall include

- i. Managing Director, Whole time Directors, Chief Financial Officer, Chief Operating Officer, Company Secretary, Senior General Manager, Chief Accountant and Chief Coordinator.
- ii. The employees designated by the Company to whom these trading restrictions shall be applicable, keeping in mind the objectives of this code of conduct.

2. Applicability

This "Code of Internal Procedures and Conduct for prohibition of insider trading in dealing with the securities of PHOENIX" shall apply to all "insiders" defined at 1.d, as above including Connected Person and Designated Persons.

3. Communication or procurement of unpublished price sensitive information

- i. No insider will communicate or allow access to UPSI related to a company or securities listed or proposed to be listed, to any person or other insiders except when such

communication is legitimate for the purpose of their duty, performance or legal obligations.

- ii. *No person can procure from or cause the communication by an insider of UPSI except in the case of discharge of duty or legal obligations.*
- iii. *Open Offer obligations*
- iv. *UPSI may be communicated in cases where a communication is needed for a transaction in the best interests of the Company. The Board of Directors will ensure public disclosure at least two days prior the transaction being effected.*
- v. *Parties to execute Non-Disclosure Agreement and shall not trade in securities when in possession of UPSI.*

4. ***Restriction on Trading while in possession of UPSI***

No insider shall trade in securities that are listed on a stock exchanges when in possession of UPSI with exception to following situations:

A. *Transactions which are off-market inter-se transfer between the promoters who were in possession of same UPSI and in compliance of Regulation 3 (Restriction in communication of UPSI) as well as both the parties have made a conscious and informed trade decision.*

B. *In case of non – individual insiders :*

a. *The decision making individuals were not in possession of such UPSI when they took the decision to trade*

b. *Appropriate arrangements were in place to ensure that these regulations are not violated and no UPSI communicated by individuals taking decisions to individuals trading and*

i. *The trades were made pursuant to trading plan.*

All information shall be handled within the organisation on a need-to-know basis and no UPSI shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

5. ***Trading Plan***

An insider may formulate a trading plan and place it before the Compliance Officer for approval and public disclosure so that trades can be carried out on his behalf.

Such trading plan shall:-

i. *not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;*

ii. *not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by PHOENIX and the second trading day after the disclosure of such financial results;*

iii. *entail trading for a period of not less than twelve months;*

iv. *not entail overlap of any period for which another trading plan is already in existence;*

v. *set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and*

vi. *not entail trading in securities for market abuse.*

vii. *Compliance Officer will review the trading plan and assess to check any potential violations of these regulations and may even ask for undertakings as may be required for implementation of plan.*

viii. Trading plan once approved shall be irrevocable and insider will mandatorily have to implement the plan. If UPSI is not generally available and six months' time has elapsed after giving any trading plan, the person in possession of UPSI cannot trade until UPSI gets disclosed or any other legitimate causes and to be confirmed by the Compliance Officer.

ix. Once Trading Plan gets approved, the Compliance Officer shall notify the plan to the Stock Exchanges on which the securities are listed.

6. **Trading window**

PHOENIX shall specify a trading period, to be called "Notional Trading Window", which shall be used as an instrument of monitoring trade by designated persons for trading in the Company's securities. The trading window shall be closed during the time when the Compliance Officer determines that the designated person or class of designated persons can reasonably be expected to have possession of information referred to in paragraph (A) below which is un-published.

(A) The trading window shall be, inter alia, closed at the time of:-

1. Declaration of Financial results (quarterly, half-yearly and annual)
2. Declaration of dividends (interim and final)
2. Consideration of issue of securities by way of public/ rights/bonus etc., by the Board
3. Consideration of any major expansion plans or execution of new major projects by the Board.
4. Consideration of amalgamation, mergers, takeovers and buy-back by the Board
5. Consideration of disposal of whole or substantially whole of the undertaking by the Board
6. Any changes in policies, plans or operations of the Company.

When the trading window is closed, the Designated Employees / Directors and their immediate relatives shall not trade in the Company's securities during such period.

The time for commencement of closing of trading window shall be decided by the Company.

The re-opening of the trading window shall be determined by the Compliance Officer and the trading window shall be opened 48 hours after the information referred to in paragraph (A) is made public.

All other time of the year, when the Trading Window does not remain closed in accordance with this clause, shall be called "Notional Trading Window".

This trading window shall also be applicable to any person having contractual or fiduciary relation with the company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the company.

All Directors and Designated Employees of the Company shall conduct all their dealings in the securities of the Company only in the Notional Trading Window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when trading window is closed, as referred to in paragraph (A) or during any other periods as may be prescribed by the Company from time to time.

In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading window is closed.

7. Disclosures

a. Initial disclosure

Every promoter, Key Managerial person and Director shall disclose their holding of the company as on date of these regulations taking into effect, to the Company within 30 days of regulations taking effect.

Every person on appointment as Key Managerial Personnel or a Director of the Company or upon becoming a promoter shall disclose his holdings to the Company as on date of appointment or upon becoming promoter within 7 days of appointment.

b. continual disclosure

Every promoter, employee and director shall disclose to the Company the number of securities acquired or disposed of within two working days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions aggregates to a traded value in excess of 10% or ten lakhs or such value as may be specified.

Compliance Officer shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

c. disclosures by other connected person

PHOENIX may, at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in such form and at such frequency as may be determined by the company in order to monitor compliance with these regulations.

All Directors / Designated employees of the listed Company shall be required to forward following details of their securities transactions including the statement of dependent family members (as defined by the Company) to the Compliance Officer:

a. All holdings in securities of that Company by Directors / Designated Employees at the time of joining of the Company;

b. Annual statement of all holdings in securities.

The Compliance Officer shall maintain records of all the declarations in the appropriate form given by the Directors / Designated Employees for a minimum period of five years.

The Compliance officer shall report to the Board of Directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at every Board meeting, all the details of the dealing in the securities by Directors / Designated Employees of the Company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

8. Pre-clearance of trades

All Directors, Connected persons and Designated Employees of the Company and their immediate relatives, as declared to the Company, who intend to deal in the securities of the

Company above 10,000 shares should pre-clear the transaction. No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed. The pre-dealing procedure is described as hereunder.

An application may be made in such form as the Company may notify in this regard, to the Compliance Officer indicating the estimated number of securities that the Director/ Designated Employee/Connected Persons intends to deal in, the details as to the depository with which the person has a security account, the details as to the securities in such depository made and such other details as may be required by any rule made by the Company in this behalf.

An undertaking shall be executed in favour of the Company by such Director/ Designated Employee incorporating, inter alia, the following clauses may be applicable:

- a. That the Designated Persons / Directors does not have any access or possession of any "Price Sensitive Information" up to the time of signing the undertaking.*
- b. That in case the Designated Employee / Director has access to or posses "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he / she shall inform the Compliance Officer of the change in his position and that he / she would completely refrain from dealing in the securities of the Company till the time such information becomes public.*
- c. That he / she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.*
- d. That he / she has made a full and true disclosure in the matter.*

The Compliance Officer shall confidentially maintain a list of such securities as "restricted list" which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.

9. Other restrictions

*All Directors and Designated Employees shall execute their trade within **seven trading days**, where the trades which have been pre-cleared have to be executed by the designated persons. If the trade is not executed within such **seven trading days**, fresh pre-clearance will be necessary. All Directors and Designated Employees who buy or sell any number of shares of the Company shall not enter into a **contra transaction**, i.e., sell or buy any number of shares during the next **six months** following the prior transaction. The Compliance Officer may grant relaxation from strict application of such restriction for reasons to be recorded in writing provided such relaxation does not violate these regulations.*

If any contra trade is executed, inadvertently or otherwise, in violation of such restrictions, the profits from such trade shall be liable to disgorged for remittance to Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.

All Directors / Designated Employees shall also not take positions in derivative transactions in the shares of the Company at any time. In the case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted. In case the sale of securities is necessitated by personal emergency, the holding period may be waived by

the Compliance Officer after recording in writing his / her reasons in this regard. Provided such relaxation does not violate these regulations.

10. **Confidentiality of information and procedures to be adopted**

All Factories / Depots / Departments etc of PHOENIX dealing in confidential information shall adopt and put in place suitable measures (which may include providing restricted access controls, passwords, firewalls, bio-metric access etc) to ensure that the confidential information in their possession does not get disseminated either directly, indirectly, covertly or overtly. Concerned head of the department shall be responsible to ensure that adequate security measures are implemented at all places which handle / deal in such confidential / unpublished price sensitive information either frequently or otherwise. All information shall be handled within the organisation on a need-to-know basis and no UPSI shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations. Due regard to the role and function of the concerned employee shall be had before giving him access to unpublished price sensitive information, in addition to seniority and professional designation.

11. **Penalty for contravention of code of conduct**

Any Director / Designated Employee who trades in securities or communicates any information for trading in securities, in contravention of the Code of Conduct may be penalized and appropriate action may be taken by the Company.

Directors / Designated Employees of the Company who violate the code of conduct shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligible for future participation in employee stock Option plans, etc.

The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

12. **Reporting to Audit Committee and Board of Directors**

The Compliance Officer shall provide a report to the Board of Directors through the Audit Committee with regard to implementation and operation of this Code periodically and at least once in every financial year.

13. **Maintenance of Records and Registers**

The Compliance Officer shall maintain:

- i. Register of Pre-clearance of trading of Securities and record therein the name and designation of the Director, Officer, Designated Persons submitting the application, date of the application, date & time of receipt of the application, nature of the transaction, number of securities, consideration value, name of the dependent family member if the transaction is in the name of the dependent family member and date & details of the actual transaction.
- ii. Records of all the declarations in the appropriate form given by the Directors, Officers designated persons and their dependents for a minimum period of three years.
- iii. Reporting of Decisions not to trade after securing pre-clearance.

14. **Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015**

In case it is observed by the Company/Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI shall be informed by the Company.