

## **Code of Practices and Procedures for Fair Disclosures**

### **1) Introduction**

#### **SEBI (Prohibition of Insider Trading) Regulations, 2015**

The Securities and Exchange Board of India (SEBI) framed SEBI (Prohibition of Insider Trading) Regulations, 2015 (“SEBI PIT Regulations”), as amended, which prohibit persons connected with a listed entity from dealing in the entity’s securities when in possession of unpublished price sensitive information related to the entity in any manner whether to buy or sell the securities of the entity and make undue gain which is not available to the holders of the securities of the entity not in possession of such information.

Pursuant to SEBI PIT Regulations, the Bank is required to formulate a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information inter alia containing the principles of fair disclosure as stipulated in the SEBI PIT Regulations.

#### **Objective of the Code of Fair Disclosures**

The Code of Practices and Procedures for Fair Disclosures has been formulated to ensure timely and adequate disclosure of unpublished price sensitive information which would impact the price of the Bank’s securities and to maintain uniformity, transparency and fairness in dealing with all stakeholders

### **2) Definitions:**

The words/terms used in the Code shall have the same meaning as assigned to them in the Bank’s Code of Conduct for Prevention of Insider Trading in shares of PNB forming part of this Policy.

Other Words and phrases not specifically defined in the aforesaid Code shall have the meaning as assigned to them under SEBI PIT Regulations as amended from time to time.

### **3) Norms for disclosure of Unpublished Price Sensitive Information**

The Bank will adhere to the following Principles of Fair Disclosure for purposes of Code of Practices for Fair Disclosure of Unpublished Price Sensitive Information:

#### **I. Prompt public disclosure of Unpublished Price Sensitive Information**

Unpublished Price Sensitive Information shall be informed by the Bank to the Stock Exchanges promptly and also made generally available for Investors/ Shareholders of the Bank by uploading the same on the Bank’s website at [www.pnbindia.in](http://www.pnbindia.in).

The following is an indicative list of information to be made generally available:

- a. Declaration of Financial Results (quarterly, half-yearly and annual)
- b. Declaration of Dividends (Interim / Final)
- c. Issue of securities by way of Public/ Rights/Bonus Issues etc.
- d. Any major expansion plans or winning of bid or execution of new projects
- e. Amalgamation, mergers, takeovers and buy-back
- f. Disposal of whole or substantially whole of the undertaking
- g. Any material change in Policies, Plans or Operations of the Bank
- h. Disruption of operations due to natural calamities
- i. Litigation/dispute with a material impact
- j. Change in Key Managerial Personnel
- k. Any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Bank.

## **II. Uniform and universal dissemination of Unpublished Price Sensitive Information to avoid selective disclosure**

The disclosure of Unpublished Price Sensitive Information shall be on a continuous, immediate, uniform basis and will be universally disseminated through dissemination of information to the Stock Exchanges / public announcements.

## **III. Overseeing and coordinating disclosure**

In terms of the Code of Conduct for Prevention of Insider Trading as detailed in Part A of the Policy, the Chief Financial Officer has been designated as the Compliance Officer of the Bank for inter alia monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of the Code under the overall supervision of the Board of Directors of the Bank.

The Compliance Officer shall be responsible for ensuring that the Bank complies with continuous disclosure requirements and for overseeing and coordinating disclosure of unpublished price sensitive information to Stock Exchanges as well as on the website of the Bank

The Compliance Officer shall be assisted in his responsibilities for overseeing corporate disclosure practices, by the Company Secretary of the Bank appointed by the Board, who shall coordinate and communicate with the Stock Exchanges and ensure compliance with various the Guidelines issued by SEBI/Stock Exchanges from time to time.

## **IV. Prompt dissemination of Unpublished Price Sensitive Information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.**

- i) Information disclosure should be normally approved in advance by the respective Departmental/Divisional Heads who shall inform the same to the Compliance Officer for onward dissemination.
- ii) If any unpublished price sensitive information is accidentally disclosed without prior intimation to Compliance Officer, the same shall be informed to the Compliance Officer immediately. In such an event of inadvertent, selective disclosure of unpublished price sensitive information, the Compliance Officer shall take prompt action to ensure that such information is made generally available.

#### **V. Responding to Queries on News reports and Requests for Verification of Market Rumours**

The response to queries on News Reports shall be made by the Chief General Manager heading the Corporate Communication Division (CCD) or in his / her absence, by the General Manager (CCD) who is entrusted with the responsibility of managing media and public relations for the Bank.

The Chief General Manager or in his / her absence, the General Manager (CCD) shall decide in respect of Bank's response to queries on news reports / requests for verification of market rumours.

Any such communication from the Stock Exchanges/SEBI shall be responded by the Company Secretary after obtaining the necessary clarifications from the concerned Departments under intimation to the Compliance Officer.

#### **VI. Manner of sharing information with Analysts/Research Personnel/ Institutional Investors**

The Role of the Chief General Manager of Strategic Management & Economic Advisory Division (SMEAD) involves interacting with Institutional Investors on regular basis; Organizing Investors' Conferences and Road Shows; Arranging Con-call on Financial Results with the Institutional Investors/Analysts on periodic basis. Accordingly, for the purpose of this Code, the Chief General Manager (SMEAD) or in his/her absence, the General Manager (SMEAD) shall be the Chief Investor Relations Officer (CIRO).

The CIRO shall ensure compliance with disclosure /dissemination of unpublished price sensitive information to Analysts/Institutional Investors/Research Personnel etc. in the manner as set out in clauses (i) to (iv) below:

- (i) Only Public information to be provided**– The Bank shall provide only public information to analysts/research persons/ institutional investors etc. Alternatively, the information given to such persons shall be simultaneously made public at the earliest.

**(ii) Recording of discussion-** In order to avoid misquoting or misrepresentation, as far as possible at least two of Bank's representatives shall be present at meetings with analysts, brokers or institutional investors and such discussions should be recorded. Best practices shall be developed to make transcripts or record of proceedings of meetings with analysts and other investor relations conferences on the official website of the bank to ensure official confirmation and documentation of the disclosure made.

**(iii) Handling of unanticipated questions –** The Bank shall be careful when dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions may be taken on notice and a considered response given later. If the answer includes unpublished price sensitive information, a public announcement should be made before responding.

**(iv) Simultaneous release of Information-** When the Bank organizes meetings with analysts, the Bank shall make a press release or post relevant information on its website of every such meet.

The CIRO shall also ensure compliance of disclosure requirements in respect of the Analyst/Investors' Meet, as stipulated under SEBI (LODR) Regulations, 2015 as amended.

## **VII. Sharing of Unpublished Price Sensitive Information on Need-to-Know basis**

Unpublished Price Sensitive Information shall be handled on a "need to know" basis i.e. Unpublished Price Sensitive Information shall be disclosed only to those where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

### **(i) "Legitimate purposes of sharing the Unpublished Price Sensitive Information"**

The Unpublished Price Sensitive Information may be shared for a legitimate purpose which shall include sharing of such information in the ordinary course of business by an Insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

### **(ii) The legitimate purposes may include:**

- Sharing of relevant unpublished price sensitive information with consultants, advisors engaged by the Bank in relation to the subject matter of the proposed deal/ assignment in relation to such information;

- Sharing of relevant unpublished price sensitive information with intermediaries/ fiduciaries viz. merchant bankers, legal advisors, auditors in order to avail professional services from them in relation to the subject matter of the unpublished price sensitive information;
- Sharing of relevant unpublished price sensitive information with persons for legitimate business purposes (e.g., attorneys, investment bankers or accountants);
- Sharing of relevant unpublished price sensitive information with persons who have expressly agreed in writing to keep the information confidential, such as potential customers, joint venture partners and vendors, and not to transact in the Bank's securities on the basis of such information.
- Sharing of relevant unpublished price sensitive information in case mandatory for performance of duties or discharge of legal obligations.

Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "Insider" for purposes of this Policy and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with the SEBI PIT Regulations.

Prior to sharing of the unpublished price sensitive information, the concerned person sharing such information shall comply with the requirements in relation to circumstances and procedure as provided in the Code of Conduct for Prevention of Insider Trading in shares of PNB.

#### **4) Disclosure of Code on Public Domain**

This Code and any amendment thereof will be published on the Bank's website [www.pnbindia.in](http://www.pnbindia.in)

#### **5) Amendment of the Code**

This Code shall be reviewed once in a financial year or as and when the Board of Directors of the Bank deems fit. Any subsequent amendment / modification in the Regulations (including any circular, notification, press release) governing this Code in the intervening period between the reviews, shall automatically apply upon the Code and the Code will be deemed to be modified to that extent without requiring approval of the Board for the amendment(s) during this period on case to case basis.

This Code and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchanges where the securities of the Bank are listed.