



**Code of Conduct to Regulate, Monitor and Report Trading by Insiders**  
**OF**  
**FINO PAYMENTS BANK LIMITED**

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

**(Version 1.0)**

**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	On listing of securities

### **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").

#### 3. Commencement:

This Code shall come into force with upon listing of the securities of the Company on the Stock Exchange(s).

#### 4. 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 Securities and Exchange Board of India.
- (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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in the Regulations under the overall supervision of the board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.
- (d) "Connected Person" means,-
  - (i) any person who is or has during the six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity 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, -
- a. an immediate relative of connected persons specified in clause (i); or
  - b. a holding company or associate company or subsidiary company; or
  - c. an intermediary as specified in section 12 of the Act or an employee or director thereof; or
  - d. an investment company, trustee company, asset management company or an employee or director thereof; or
  - e. an official of a stock exchange or of clearing house or corporation; or
  - f. 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
  - g. 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
  - h. an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
  - i. a banker of the Company; or
  - j. a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the Company, has more than ten per cent. of the holding or interest;
- “**immediate relative**” means a spouse of a person, 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;
- (e) “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) (Amendment) Regulations, 2018 and other connected persons as defined under Regulation 2(d) of the SEBI (prohibition of Insider Trading) (Amendment) Regulations, 2018;
- (f) “Generally Available Information” means information that is accessible to the public on a non-discriminatory basis;
- (g) "Insider" means any person who is:
- (i) a connected person; or
  - (ii) in possession of or having access to unpublished price sensitive information;

(h) "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;

- (i) "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.
- (j) "Securities" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;
- (k) "Takeover Regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- (l) "Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly ;
- (m) "Trading Day" means a day on which the recognized stock exchanges are open for trading;
- (n) "Unpublished Price Sensitive Information" means any information, relating to Fino Bank 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.
- (o) "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.
- (p) The Company has appointed Managing Director & CEO as Compliance Officer who shall report to the Board of Directors of the Company.

#### **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, as applicable.
- (7) Maintaining records of all disclosures as stated in this Code and to report to the Board and in particular, provide reports, on a quarterly 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].

#### **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” 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.

(11) 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.

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 exchange 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;

(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.

### **Trading Plans**

(1) An Insider shall be entitled to formulate a Trading Plan 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 six months from the public disclosure of the plan;
- ii. not entail trading for the period between the twentieth trading day prior to 31st March every year and the second trading day after the disclosure of the financial results by the Company;
- 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.

(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 and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

- (4) The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan. Provided that the implementation of the trading plan shall not be commenced if any Unpublished Price Sensitive Information 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 and in such event the Compliance Officer shall confirm that the commencement ought to be deferred until such Unpublished Price Sensitive Information becomes generally available information.
- (5) Upon approval of the Trading Plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

### **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 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. and their immediate relatives, 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
  - material events in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (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. [

#### **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 is above threshold limit. No 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.

(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 Form I in the format set out as Annexure I, to the Compliance Officer indicating the estimated number of

securities that he/she intends to deal in, the details as to the depository(ies) with which he/she maintains a demat/trading account, the details as to the securities in such depository mode and such 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 as a “restricted list” which shall be used as the basis for approving or rejecting applications for preclearance 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 Form II in the format set out as Annexure II. 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 Form III in the format set out as Annexure III) 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.

## **Reporting Requirements.**

### **Initial Disclosures**

Every promoter, member of the promoter group, key managerial personnel and director of the Company shall disclose his holding of securities of the Company as on the date of this Code taking effect, to the Company within thirty days of this Code taking effect in Form A (in the format set out in Annexure IV);

(1) 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 Form B (in the format set out in Annexure V)

### **Continual Disclosures**

(1) The Promoters, members of the Promoter Group, Directors, Designated Persons of the Company shall disclose to the Company in Form C (in the format set out in Annexure VI) 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.

(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.

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

- (1) Any Promoter, Director, Employee or other Connected Person, who trades in Securities or communicates any information for trading in Securities in contravention of this Code, shall be penalized by [•] and appropriate action shall be taken against them by the Company after giving reasonable opportunity of being heard by [•].
- (2) In addition to the action which may be taken by the Company, the persons violating the Regulations or this Code shall also be subject to action under the Act. In case of any violation of this Code or the Regulations, the Compliance Officer shall inform the SEBI accordingly. [

### **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. The NRC 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 board the for its approval.