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CODE OF CONDUCT FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSII) 2022-23

1. Preface

Securities and Exchange Board of India (SEBI) vide Gazette notification no. LAD-NRO/GN/2014-15/21/85 dated 15th January 2015 had issued **Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**. As per the said guidelines, the Board of Directors of every company, whose securities are listed on a stock exchange, shall formulate and publish on its official website, a code of practices and procedures for fair disclosure of unpublished price sensitive information.

The Board of Directors (the “**Board**”) of Union Bank of India (the “**Bank**”) has adopted this Code of practices and procedures for fair disclosure of unpublished price sensitive information (the “**Code**”). The Audit Committee of the Board (the “**ACB**”) is empowered to review and amend this Code from time to time.

2. Objective

The Code was framed as per the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

3. Definition

3.1 “**Act**” means the Securities and Exchange Board of India Act, 1992.

3.2 “**Connected person**” means -

- (i) any person who is or has during the six months prior to the concerned act been associated with the Bank, 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 Bank or holds any position including a professional or business relationship between himself and the Bank whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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 -
- an immediate relative of connected persons specified in clause (i); or
 - a holding company or associate company or subsidiary company; or
 - an intermediary as specified in section 12 of the Act or an employee or director thereof; or
 - an investment company, trustee company, asset management company or an employee or director thereof; or
 - an official of a stock exchange or of clearing house or corporation; or
 - 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
 - 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
 - an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
 - a banker of the Bank; or
 - a concern, firm, trust, Hindu undivided family, Bank or association of persons wherein a director of the Bank or his immediate relative, has more than ten percent of the holding or interest;

3.3 “Designated Persons” The following class of persons will be treated as Designated Persons for the purpose of the Code:

- Promoters of the Bank
- All the Directors of the Bank and its material subsidiary
- Employees based on functional role and access to UPSI** - All the officers (Scale I and above) of following departments -
 - Finance and Accounts
 - Strategy
 - Management Information System (MIS)
 - Treasury
 - Risk Management
 - Compliance
 - Stressed Asset Management
 - Audit and Inspection
 - Board Secretariat
 - MD & CEO’s Secretariat

- k) Executive Directors' Secretariat
 - l) Secretaries of all Chief General Managers (CGMs)/General Managers (GMs) posted at Central Office of the Bank
 - m) Employees posted at Department of Information Technology (DIT), identified by the Chief General Manager/General Manager (DIT) on quarterly basis based on their access to unpublished price sensitive information.
- (iv) **Employees upto two levels below Board of Directors** of the Bank and its material subsidiary irrespective of their functional role in the Bank or ability to have access to unpublished price sensitive information.

**The employees referred above in sub-clause (iii) and (iv) are hereinafter referred to as "Designated Employees" for the purpose of the Code.*

- 3.4 **Generally available information"** means information that is accessible to the public on a non-discriminatory basis.
- 3.5 **"Immediate relative"** means any of the following who is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities-
- a) Spouse
 - b) Father
 - c) Mother
 - d) Brother
 - e) Sister
 - f) Son (including step-son)
 - g) Daughter (including step-daughter)

3.6 **"Insider"** means any person who is:

- i) a connected person; or
- ii) in possession of or having access to unpublished price sensitive information.

Note: It may be clarified here that anyone in possession of or having access to unpublished price sensitive information should be considered an "insider" regardless of how one came in possession of or had access to such information. Various circumstances are provided for such a person to demonstrate that he has not indulged in insider trading. Therefore, this definition is intended to bring within its reach any person who is in receipt of or has access to unpublished price sensitive information. The onus of showing that a certain person was in possession of or had access to unpublished price sensitive information at the time of trading would, therefore, be on the person leveling the charge after which the person who has

traded when in possession of or having access to unpublished price sensitive information may demonstrate that he was not in such possession or that he has not traded or he could not access or that his trading when in possession of such information was squarely covered by the exonerating circumstances.

3.7 “**Unpublished Price Sensitive Information (UPSI)**” means any information, relating to 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, acquisition, delistings, disposals and expansion of business and such other transactions;
- (v) Changes in Key Managerial Personnel;

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

4. Code

4.1 Preservation of Unpublished Price Sensitive Information (UPSI):

- 4.1.1 No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to the Bank or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 4.1.2 Department Heads shall identify all the UPSI available in their departments and shall ensure its confidentiality as per the requirement of this code.
- 4.1.3 Adequate restrictions shall be placed by the Department Head on communication or procurement of UPSI.
- 4.1.4 No UPSI shall be shared with Analysts and Research personnel.

4.2 Limited access to Confidential Information:

- 4.2.1 All files containing confidential information shall be kept secured under lock and key.
- 4.2.2 Confidential documents/files shall be marked “**Confidential**” and access to such documents/files shall be made available on need to know basis.
- 4.2.3 Confidential Computer files shall have adequate security of login and Passwords.
- 4.2.4 Documents/Files containing confidential information should be deleted/destroyed after its use. Shredders should be used wherever necessary for the destruction of physical files.
- 4.2.5 Chinese Wall Procedure and process as detailed hereinafter shall be followed by departments dealing with confidential information.

4.3 Prohibition on Unlawfully Procuring Possession of UPSI:

No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to the Bank or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

4.4 Chief Investor Relations Officer (CIRO):

Chief Financial Officer (CFO) shall be designated as Chief Investor Relations Officer (the “**CIRO**”). The CIRO shall deal with uniform and universal dissemination of information and disclosure of unpublished price sensitive information.

4.5 Need to know:

‘Unpublished Price Sensitive Information’ shall be handled on a ‘need to know’ basis. Such information should be disclosed only to those within the Bank who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

All non-public information directly received by any Employee should be reported to the head of his/her department/Compliance Officer immediately.

4.6 Dissemination of Unpublished Price Sensitive Information:

- 4.6.1 Unpublished price sensitive information may be communicated, provided, or allowed access to any employee other than the designated employee or to third parties if such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 4.6.2 The Bank shall adopt a Chinese wall procedure to prevent the misuse of confidential information, which separates those areas of the Bank which routinely have access to confidential information.
- 4.6.3 Department Heads to satisfy that UPSI is shared only for legitimate purposes among the authorised employees on need to know basis.
- 4.6.4 The Department of Information Technology (DIT) to create a platform for maintaining database containing the nature of UPSI and names of such persons who have shared the information and also the names of such persons or entities as the case may be with whom Unpublished Price Sensitive Information is shared under this Code along with the Permanent Account Number (PAN) or any other identifier authorized by law where PAN is not available. Such databases shall have adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.
- 4.6.5 Prior approval from CIRO shall be obtained by all the Departments before sharing any Unpublished Price Sensitive Information with any person or entity. CIRO shall after approving sharing of such information, send the details viz. nature of UPSI, names of such persons who have shared the information and names of such persons or entities with whom UPSI is shared along with the PAN or any other identifier authorized by law where Permanent Account Number is not available to Investor Services Division, Board Secretariat for updating the database.
- 4.6.6 Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- 4.6.7 Appropriate and fair response of queries on news reports and requests for verification of market rumors by regulatory authorities by Compliance Officer as per information provided by the Department Heads whose departments such information pertains to.

- 4.6.8 Transcripts or records of proceedings of meeting with analysts and other investor relations conferences may be made available on the official website to ensure official confirmation and documentation of disclosures made.
- 4.6.9 An unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:-
- entail an obligation to make an open offer under the takeover regulations where the Board of Directors of the Bank is of informed opinion that sharing of such information is in the best interests of the Bank;
 - not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Bank is of informed opinion that sharing of such information is in the best interests of the Bank and the information that constitute 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 of Directors may determine to be adequate and fair to cover all relevant and material facts;
 - for purposes of para 4.6.2 , the parties shall be required 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 para 4.6.1 and shall not otherwise trade in securities of the Bank when in possession of unpublished price sensitive information.

5. Determination of Legitimate Purpose

- 5.1 **Meaning of Legitimate Purpose:** The term legitimate purpose include sharing of unpublished price sensitive 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 prohibition of this Code.
- 5.2 **Recipient of UPSI pursuant to legitimate purpose to be deemed Insider:** Any person in receipt of unpublished price sensitive information pursuant to a legitimate purpose shall be considered as an “insider” for purposes of this Code and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with this Code by the person sharing such information.

5.3 Illustrations of legitimate purpose: In following cases which are illustrative in nature, sharing of UPSI would be considered as legitimate purpose:

5.3.1 Statutory or Government Requirement: For investigation, inquiry or request for information by statutory or governmental authorities or any other administrative body recognized by law; Example: Any call for information or query received from Central Government, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges etc.

5.3.2 Legal Requirement: As part of compliance with applicable laws, regulations, rules and requirements or under any proceedings or pursuant to any order of courts or tribunals; Example: Court of Law, National Company Law Tribunal, National Company Law Appellate Tribunal, Quasi-judicial authority, Other Appellate Tribunals, Arbitration Proceedings, etc.

5.3.3 Contractual Requirement: Arising out of any contractual obligations or arrangement entered by the Bank set forth in any contract, agreement, arrangement, settlement, understanding or undertaking. Example: Due-diligence for any kind of restructuring, namely mergers & acquisitions, joint venture agreements, share purchase agreements, franchisee agreement, etc.

5.3.4 Auditing Purpose: For audit by statutory, internal, concurrent, secretarial or management auditors as per the scope of audit.

6. Disclosures

Code of Conduct for Fair Disclosure of UPSI and every amendment thereto shall be promptly intimated to the stock exchanges where Bank's securities are listed and Code shall be published on Bank's official website.

References:

- SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended
- SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015