

**CODE OF CONDUCT FOR FAIR DISCLOSURE OF  
UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI) 2018-19**

## 1. PREFACE

Securities and Exchange Board of India (SEBI) vide Gazette notification no. LAD-NRO/GN/2014-15/21/85 dated 15<sup>th</sup> 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shall formulate and publish on its official website, a code of practices and procedures for fair disclosure of unpublished price sensitive information.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of Union Bank of India (the “**Bank**”) has adopted this Code of practices and procedures for fair disclosure of unpublished price sensitive information (the “**Code**”).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.

## 3. DEFINITION

“**Act**” means the Securities and Exchange Board of India Act, 1992 (15 of 1992);

“**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between himself and the Bank whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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 -
- 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 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;

**"Generally available information"** means information that is accessible to the public on a non-discriminatory basis;

**"Immediate relative"** 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;

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

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- ii) in possession of or having access to unpublished price sensitive information;

without prejudice to the generality of the foregoing definition, the following class of persons/entities will be treated as **"Insiders"** to the Bank:

- (i) All the Directors on the Board of Directors of the Bank;

- (ii) \*All the employees of the Bank in the management cadre' viz. Scale V, VI and VII.
- (iii) \*All the employees of FP&IR Department, Economic Intelligence Department, Central Accounts Department, Investment Department-Treasury Branch, Board Secretariat, MD & CEO's Secretariat, ED's Secretariat and Secretaries of all GMs of the Bank; and

\*The employees referred above in sub-clause (ii) and (iii) are hereinafter referred to as “Designated Employees” for the purpose of these Regulations.

“Unpublished price sensitive information (UPSI)” means any information, relating to the 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; and
- (vi) Material events in accordance with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.”

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):

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.

#### 4.2 Limited access to Confidential Information:

All files containing confidential information shall be kept secure under lock and key. Computer files shall have adequate security of login and Passwords. Files containing confidential information should be deleted / destroyed after its use. Shredders should be used wherever necessary for the destruction of physical files.

#### 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:

Chief Financial Officer (CFO) is to be designated as Chief Investor Relations Officer (the "CIRO"). The CIRO shall deal with 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 Designated Employee should be reported to the head of his/her department/Compliance Officer immediately.

#### 4.6 Dissemination of Unpublished Price Sensitive Information:

CIRO shall ensure the following -

- a) Uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
- b) Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- c) Appropriate and fair response of queries on news reports and requests for verification of market rumors by regulatory authorities.

- d) Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
- e) Developing best practices to make transcripts or records of proceedings of meeting with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
- f) Prompt intimation to the Compliance Officer of any price sensitive information to enable him to inform the Stock Exchanges where shares/other securities of the Bank are listed.

## 5. 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.

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**References:**

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