

# **PRISM FINANCE LIMITED**

## **CODE OF CONDUCT**

[Sub-regulation (1) and Sub-regulation (2) of Regulation 9  
of SEBI (Prohibition of Insider Trading) Regulations, 2015]

### **CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS**

1. 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 such frequency as may be stipulated by the Board of Directors, but not less than once in a year.
2. All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. The Company shall implement norms for appropriate Chinese Walls procedures, and processes for permitting any designated person to “cross the wall”.
3. Designated Persons and immediate relatives of designated persons in the organisation shall be governed by an internal code of conduct governing dealing in securities.
4. Designated Persons may execute trades subject to compliance with the regulations and this Code. 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determines that a Designated Person or Class of Designated Persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates.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. Trading restriction period can be made applicable from the end of every quarter till 48 hours after the declaration of financial results. The gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.
5. 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of the trading window shall be determined by the Compliance Officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier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.

6. When the trading window is open, trading by Designated Persons shall be subject to preclearance by the Compliance Officer, if the value of the proposed trades is above such thresholds as the Board of Directors may stipulate.
7. Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
8. The trades that have been pre-cleared have to be executed by the Designated Person within 7 trading days, failing which fresh pre-clearance would be needed for the trades to be executed.
9. A Designated Person who is permitted to trade shall not execute a contra trade within 6 months. The Compliance Officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations. Should a contra trade be 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 Board for credit to the Investor Protection and Education Fund administered by the Board under the Act. Provided that this shall not be applicable for trades pursuant to exercise of stock options.
10. The Board of Directors shall stipulate the formats as it may deem necessary for making applications for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance and for reporting level of holdings in securities at such intervals as may be determined as being necessary to monitor compliance with these regulations.
11. The Board of Directors shall stipulate the sanctions and disciplinary actions, including wage freeze, suspension, recovery, clawback etc. that may be imposed, by the Company for the contravention of the Code of Conduct.
12. In case it is observed by the Company, that there has been a violation of these regulations, it shall inform the Board promptly.
13. Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:
  - a) Immediate relatives
  - b) Persons with whom such designated person(s) shares a material financial relationship
  - c) Phone, mobile and cell numbers which are used by them

In addition, the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis.

Explanation – The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

14. The Company shall have a process for how and when people are brought ‘inside’ on sensitive transactions. Individuals should be made aware of the duties and responsibilities attached to the receipt of Inside Information, and the liability that attaches to misuse or unwarranted use of such information.

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