

IZMO LIMITED

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

With reference to the requirements of the regulation 8 (Code of Fair Disclosure) and regulation 9 (Code of Conduct) of the SEBI (Prohibition of Insider trading) Regulations 2015 (“the Regulations”), the company has formulated a code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information.

DEFINITIONS:

- a. Compliance officer means Company Secretary of the Company;
- b. Connected person means-
 - i. any person who is or has during the six months prior to the concerned act been associated with a 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himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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 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
- c. Insider means

any person who is a connected person or in possession of or having access to unpublished price sensitive information;

d. Unpublished price sensitive information means

any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating the following:-

- i. Financial results
- ii. Dividends
- iii. Change in capital structure
- iv. Mergers, de-mergers, acquisitions, delistings, Disposals and expansion of business and such other transactions
- v. Changes in key personnel; and
- vi. Material events in accordance with the listing agreement.

e. 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;

Applicability:

The Code of Conduct is applicable to the following persons:

1. All the directors of the Company.
2. Officers/employees who have access to any unpublished sensitive information about the Company.
3. Auditors.
4. Bankers.
5. Associate Company and subsidiary company.
6. An immediate relative/ connected persons of the above.

Principles of Fair Disclosure of Unpublished Price Sensitive Information:

1. The Company will make prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. The Company will make uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
3. The Company Secretary of the Company will act as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.

4. The Company will make prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. The Company will provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. The Company will ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
7. The Company will develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
8. The Compliance Officer will handle all unpublished price sensitive information on a need-to-know basis.

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

1. The compliance officer will 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.
2. All information will be handled within the organization on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.
3. Employees and connected persons designated on the basis of their functional role ("**designated persons**") in the organization will be governed by an internal code of conduct governing dealing in securities. The board of directors will in consultation with the compliance officer specify the designated persons to be covered by such code on the basis of their role and function in the organization. Due regard shall be had to the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation.
4. Designated persons may execute trades subject to compliance with these 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.

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 will not be earlier than forty-eight hours after the information becomes generally available. The trading window will also be applicable to any person having contractual or fiduciary relation with the company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the company.
6. When the trading window is open, trading by designated persons will 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. No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.
7. The compliance officer will 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.
8. Prior to approving any trades, the compliance officer will 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.
9. any reasonable timeframe, which in any event shall not be more than seven trading days, within which trades that have been pre-cleared have to be executed by the designated person, failing which fresh pre-clearance would be needed for the trades to be executed.
10. A designated person who is permitted to trade shall not execute a contra trade which in any event shall not be less than six months. 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.
11. Formats for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance, recording of reasons for such decisions and for reporting level of holdings in securities at such intervals as may be determined as being necessary to monitor compliance with these regulations as the board of directors deems necessary for making applications.

12. Without prejudice to the power of the Board under the Act, disciplinary actions, including wage freeze, suspension etc., that maybe imposed, by the persons required to formulate a code of conduct, for the contravention of the code of conduct.

13. In case it is observed by the persons required to formulate a code of conduct under sub-regulation (1) and sub-regulation (2) of regulation 9, that there has been a violation of these regulations, they shall inform the Board promptly.

RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

Communication or procurement of unpublished price sensitive information.

1. No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company 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.
2. No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
3. Notwithstanding anything contained in this regulation, an unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:-
 - (i) entail an obligation to make an open offer under the takeover regulations where the board of directors of the company is of informed opinion that the proposed transaction is in the best interests of the company;
 - (ii) not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the company is of informed opinion that the proposed transaction is in the best interests of the company 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.
4. For purposes of sub-regulation (3), the board of directors 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-regulation (3), and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

Trading when in possession of unpublished price sensitive information.

1. No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information: Provided that the insider may prove his innocence by demonstrating the circumstances including the following : –
 - a. the transaction is an off-market *inter-se* transfer between promoters who were in possession of the same unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;
 - b. in the case of non-individual insiders: –
 - i. 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
 - ii. appropriate and adequate arrangements were in place to ensure that these 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;
 - iii. the trades were pursuant to a trading plan set up according to Company's code of Conduct;
2. In the case of connected persons the onus of establishing, that they were not in possession of unpublished price sensitive information, shall be on such connected persons and in other cases, the onus would be on the Board.
3. The Board may specify such standards and requirements, from time to time, as it may deem necessary for the purpose of these regulations.

Trading Plans.

1. An insider shall be entitled to formulate a trading plan and present it to the compliance officer for approval and 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 the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;

- 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 would have any potential for violation of these regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the 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 so as to avoid a violation of sub-regulation (1) of regulation 4.
5. Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

DISCLOSURES OF TRADING BY INSIDERS

General provisions.

- a. Every public disclosure under this Chapter shall be made in such form as may be specified.
- b. The disclosures to be made by any person under this Chapter shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.
- c. The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account. *Provided that* trading in securities is permitted by any law for the time being in force.
- d. The disclosures made under this Chapter shall be maintained by the company, for a minimum period of five years, in such form as may be specified.

Disclosures by certain persons.

(1) Initial Disclosures.

- a. Every promoter, key managerial personnel and director of every company whose securities are listed on any recognised stock exchange will disclose his holding of securities of the company as on the date of these regulations taking effect, to the company within thirty days of these regulations taking effect;
- b. Every person on appointment as a key managerial personnel or a director of the company or upon becoming a promoter shall disclose his 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.

(2) Continual Disclosures.

- a. Every promoter, employee and director of every company shall disclose to the company 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, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified;
- b. Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

Explanation. — It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this sub-regulation, shall be made when the transactions effected after the prior disclosure cross the threshold specified in clause (a) of sub-regulation (2).

(3) Disclosures by other connected persons

Any company whose securities are listed on a stock exchange may, at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in such form and at such frequency as may be determined by the company in order to monitor compliance with these regulations.

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