

POLICY ON PROHIBITION AND CIRCULATION OF UNAUTHENTIC NEWS AND RUMOURS

1. Introduction/Background/Purpose of the Policy:

This policy emanates from circular issued by the Securities and Exchange Board of India (“SEBI”) [vide SEBI circular No. Cir/ ISD/1/2011 dated March 23, 2011 and addendum to the said circular dated March 24, 2011 and FAQs issued by SEBI on responsible handling] of unauthenticated market related news or rumors by SEBI Registered Intermediaries, in respect of “unauthenticated news circulated by SEBI Registered Market Intermediaries through various modes of communications” (“Circulars”).

SEBI has through the Circulars instructed all SEBI registered market intermediaries, which includes Central Depository Services (India) Limited (“CDSL”) to put in place proper code of conduct and controls with respect to sharing of unauthenticated market related news or rumors.

The purpose of the said policy is to:

- i. check origination or dissemination of unauthenticated market related news or rumors and to demonstrate to the regulator measures adopted for implementation of the policy;
- ii. [to ensure all employees to know what they are allowed to and prohibited from sharing and/or posting on social media channels in relation to Company; and
- iii. outline the social media guidelines and protocols of the company.

2. Definitions:

i. Unauthenticated market related news or rumors

Unauthenticated market related news or rumors means “any information or news or talk or opinion widely disseminated with no discernible source or a statement or report without known authority for its truth”.

ii. Employee/s

“Employees” means Employees of CDSL/temporary staff/consultants working in CDSL premises

iii. [Authenticated news]

News would be said to be authenticated when such information has been:

- Disclosed/confirmed by the Company through Stock Exchange/ SEBI or any other agency authorized to disseminate such information in its publication, in electronic form or otherwise;
- Reported in the Annual Report/prospectus/press release or any other official publication of the Company;
- Disclosed in media i.e. press report, television report, websites along with source of information and reports.

iv. Social Media

Any form of electronic communication or application that enables users to create online communities and share knowledge, opinions, media, and private and public messages.

3. Scope:

Through these circulars SEBI has directed restrictions on transmitting 'unauthenticated news' by broking houses and other SEBI registered intermediaries on blogs, chat forums, messenger sites in an effort to prevent stock manipulation through unverified news and rumours. Unauthenticated market related news or rumours circulated by making use of various modes like chat forums/messenger, emails etc. can cause considerable damage to and affect normal functioning of the capital market and distort price discovery mechanisms.

This Policy applies to all employees, including paid interns, contractors, Vendors, and part-time, full-time employees.

4. Roles & Responsibilities:

Code of conduct [for Employees:

- i. Employees shall not deal with any price sensitive capital market related information whether authenticated or otherwise if it is not part of his assigned duties.
- ii. An employee who is required to deal with any price sensitive capital market related information shall not in any circumstances encourage or be directly or indirectly involved in the origination or spreading of an unauthenticated market related news or rumour.
- iii. Any 'unauthenticated market related news or rumours' received by employee, either in his official mail / personal mail / blog or in any other manner should be forwarded only after the same has been seen and approved by Compliance Officer.⁷
- iv. Employee while on duty shall not access blogs/ Chat Forums/Messengers/Social Network sites [unless in the normal course of his/her duties.
- v. *Deleted*

All emails containing any unauthenticated information should contain a disclaimer.

[Roles and Responsibilities of Compliance Officer:

The Compliance Officers shall:

- i. put in place adequate systems which shall make best effort to prevent the spreading of unauthenticated market related news or rumours by employees of the intermediary.
- ii. document appropriate training policies and programs reasonably designed to

- ensure that employees comply with their responsibilities and obligations.
- iii. ensure affirmation of these policies by each employee periodically.
 - iv. conduct periodic monitoring to ensure compliance with the laid down policies and take action in case an employee is found violating the laid down policy.
 - v. report the same to SEBI in terms of extant Regulations

[Social Media Guidelines]

- i. The employees shall not upload sensitive Company related information on social media/information sharing sites. Any discrepancy noticed is liable for strict legal action, against the employee.
- ii. The employees should avoid posting and/or sharing offensive, discriminatory, and/or false information.
- iii. The employees must at all times refrain from commenting and sharing content, which is pornographic and/or contains anti-national slogans, vile, vitriolic and/or hate speech content.

[Implementation]

1. Usage of Blogs/Chat forums/Messenger/Social Networks sites etc. shall be blocked/restricted
2. Logs of usage of Blogs/Chat forums/Messenger/Social Networks sites etc. wherever made available to the employees shall be treated as "records" under SEBI (Depositories & Participants) Regulations, [2018 as amended from time to time and maintained/preserved for 8 years.
3. Compliance Officers shall obtain annual declaration from the employees regarding compliance with "Code of Conduct for Employees" mentioned above.
4. Any violation of the Code of Conduct would constitute an act of misconduct which may result in disciplinary action including termination of employment.
5. Violation of the Code of Conduct may also constitute violation of law and may result in prosecution by regulatory authorities.
6. Any Employee whose suspected violation of the letter or spirit of the Code of Conduct, has an obligation to report their concern to the Compliance Officer.

5. [Review/Amendments to Policy:

- i. This policy shall be reviewed as and when needed by the Compliance Officer.
- ii. In the event of any conflict between the circular or any other statutory enactment and the clause of this policy, the amendments shall prevail over this policy.
- iii. Any subsequent amendments/modification in the Circulars shall automatically apply to this policy.

