



## INSIDER TRADING POLICY

Securities and Exchange Board of India (“SEBI”) vide its Notification dated January 15, 2015, had issued the SEBI (Prohibition of Insider Trading) Regulations, 2015 and further amended the same vide its notification dated December 31, 2018, the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, to put in place a framework for prohibition of insider trading in securities and to strengthen the legal framework thereof. Regulation 9 of the Regulations requires that Board of Directors of every listed company shall ensure that CEO/MD formulates a code of conduct with their approval to regulate, monitor and report trading by its designated person and immediate relatives of designated person towards achieving compliance with the Regulations, adopting minimum standards as set out in Schedule B of the Regulations, without diluting the provisions of the Regulations in any manner.

This document forms the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“Code”) adopted by **Faze Three Limited**. This Code is consistent with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

This policy shall be applicable to all Insiders (as defined herein) of the Company including designated persons and immediate relatives of designated persons as defined in this policy. The SEBI Regulations prohibit an Insider from Trading in the securities of a company listed on any stock exchange when in possession of any unpublished price sensitive information.

This policy is last amended pursuant to the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2020 notified on 17<sup>th</sup> July 2020 and is in force with effect from 04<sup>th</sup> September 2020 i.e. the date of the meeting of the Board of Directors in which it was approved and adopted.

### DEFINITION

1. “Board” means the Board of Directors of the Company.
2. “The Code” means this Code of Conduct formulated for Regulating, Monitoring and Reporting of trading by Insiders of Faze Three Limited under SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.
3. “Company” means Faze Three Limited.
4. "Compliance Officer" means the Company Secretary or such other senior officer designated so and reporting to the Board of Directors, who is financially literate and is capable of appreciating requirements for legal & regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of the Company or the head of an organization, as the case may be.
5. “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 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 recognized 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 the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.

6. Designated Persons(s) shall include :
  - i. Every Promoter of the Company
  - ii. Every director of the Company;
  - iii. Executive Assistant/Secretaries to Executive Directors;
  - iv. Whole Time Director and Employee upto two level below Whole Time Director of the Company.
  - v. Any other employee /person as may be determined by the Board from time to time in consultation with the management of the Company considering the objectives of the Code; and
  - vi. Immediate Relatives of all the above persons.
7. "Generally available Information" means information that is accessible to the public on a non-discriminatory basis.
8. "Insider" means any person who is:
  - a. A connected person; or
  - b. In possession of or having access to unpublished price sensitive information.
  - c. Designated person(s) and their immediate relative(s)
9. '**Leak of UPSI**' shall refer to such act / circumstance(s) by virtue of which an UPSI is made available or becomes available, by any means or mode to any person, association, body, firm, agency, society, entity or to a group thereof, whether registered or otherwise before its official

publication or announcement or formal circulation in public domain and which shall also include any purported attempt thereof.

Explanation: It covers the instances where the UPSI has been shared by a person to any person, association, body, firm, agency, society, entity or to a group thereof except in compliance with applicable law.

10. "Legitimate Purpose" shall include sharing of unpublished price sensitive information in ordinary course of business by an Insider with Partners, Collaborators/ Lenders, Customers, Suppliers, Merchant Banker, Legal Advisors, Auditors, Insolvency Professionals or other advisors or consultants provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.
11. "Need to Know basis" means that Unpublished Price Sensitive Information should be disclosed only to those within the Company 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.
12. "Securities" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;
13. "Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
14. "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 generally available, is likely to materially affect the price of the securities and shall, ordinarily be including but not restricted to, information relating to the following:
  - a. Financial results;
  - b. Dividends;
  - c. Change in capital structure;
  - d. mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
  - e. changes in key managerial personnel

Terms that have not been defined in this code shall have the same meaning assigned to them in the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or any other SEBI Regulation(s) as amended from time to time.

### **Prohibition on communicating or procuring UPSI**

An Insider shall not –

- i. communicate, provide, or allow access to any UPSI, relating to the Company or its securities, to any person including other Insiders, except to the extent allowed by these Rules or SEBI Regulations; or
- ii. Procure from or cause the communication by an Insider of UPSI, relating to the Company or its securities.

Provided that nothing contained above shall be applicable when an UPSI is communicated, provided, allowed access to or procured:

- i. in furtherance of legitimate purposes, performance of duties or discharge of legal obligations pursuant to appropriate notice, confidentiality and non-disclosure agreements being executed; or
- ii. in the event the Board of Directors directs or causes the public disclosure of UPSI in the best interest of the Company; or

iii. The board of directors or head(s) of the organisation of every person required to handle unpublished price sensitive information shall ensure that a structured digital database is maintained containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

iv. The board of directors or head(s) of the organisation of every person required to handle unpublished price sensitive information shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

## **Prohibition on Insider Trading**

An Insider shall not, directly or indirectly, –

- i. Trade in securities of the Company that are listed or proposed to be listed when in possession of UPSI;
- ii. Trade in securities of the Company except when the Trading Window is open and the Insider is not in possession of UPSI.
- iii. Provide advise/ tips to any third party on trading in Company's securities while in possession of UPSI and

An insider who has ceased to be associated with the Company shall not, for a period of six months from date of such cessation, directly or indirectly trade in the Company's Securities while in possession of UPSI.

No Insider may take positions in derivative transactions in the securities of the Company at any time.

The restriction in 4 (i) above may not apply to:

- (a) a transaction that is an off-market inter-se transfer between Insiders who were in possession of the same UPSI without being in breach of these Rules and both parties had made a conscious and informed trade decision; and
- (b) Trades pursuant to a Trading Plan set up in accordance with these Rules and SEBI Regulations.

## **Trading Window**

A. The trading period i.e. the trading period of the stock exchanges, called 'trading window', is available for trading in the Company's securities.

a. The trading window shall be, inter alia, closed during the following periods:  
i. For Board meetings to be held for consideration of quarterly/annual financial results: starting from closure of quarter or the day on which the date of Board meeting is finalized and communicated to Stock Exchanges, whichever is earlier and up to 2nd trading day after communication of the results of the Board to the Stock Exchanges.

ii. For any other Board meeting: starting as soon as the day on which the date of Board meeting is finalized or communicated to Stock Exchanges, whichever is later and up to 2nd trading day after communication of the decision of the Board to the Stock Exchanges.

b. All Designated Persons shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when the trading window is closed, as referred to in Point No. (a) Above or during any other period as may be specified by the Company from time to time.

B. In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading is closed.

## Trading Plan

- A. A Designated Person shall be entitled to formulate a trading plan for dealing in securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his/her behalf in accordance with such plan.
- B. Trading Plan shall:
- a. not entail commencement of trading on behalf of the insider earlier than 06 months from the public disclosure of the plan;
  - b. not entail trading for the period between the 20th 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;
  - c. entail trading for a period of not less than 12 months;
  - d. not entail overlap of any period for which another trading plan is already in existence;
  - e. 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
  - f. not entail trading in securities for market abuse.
- C. The Compliance Officer shall review the Trading Plan, made as above to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertaking as may be necessary to enable such assessment and to approve and monitor the implementation of the plan. After assessing, He may approve the plan. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations.

- D. The Trading Plan once approved shall be irrevocable and the Designated Person shall mandatorily have to implement the plan, without being entitled either to deviate from it or to execute any trade in the securities outside the scope of the trading plan.

However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Designated Person is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information.

- E. Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

## Disclosure requirements

### 1) Initial Disclosure:

- a. Every Promoter, member of the promoter group, Key Managerial Personnel, director of the Company and each of their Immediate Relatives shall disclose his holding of securities of the Company within thirty days of these Rules taking effect.
- b. Every person, on appointment as a Key Managerial Personnel or a director of the Company or upon becoming a Promoter or member of the promoter group, shall disclose his / her and Immediate Relatives' 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.
- c. Every Designated person shall disclose details like Permanent Account Number, names of educational institutions from which they have graduated and names of their past employers.

### 2) Continual Disclosure:

- a. Every Designated person shall 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:
  - a1. Immediate relatives
  - a2. Persons with whom such designated person(s) shares a material financial relationship
  - a3. Phone and mobile numbers, which are used by them
- b. Every Promoter, member of the promoter group, designated person, director of the Company and each of their Immediate Relatives shall disclose as per Form C set out in Annexure 6 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 Rs. Ten lakhs.
- c. The disclosure shall be made within two working days of:
  - I. The receipt of intimation of allotment of shares, or
  - II. The acquisition or sale of shares or voting rights, as the case may be.

### 3) Disclosure to the Stock Exchange:

The Compliance Officer shall notify the stock exchanges, particulars of the Trades, within two trading days of the receipt of the Continual Disclosure or from becoming aware of such information.

#### 4) Disclosures by other Connected Persons.

The Compliance Officer may, require any other Connected Person to disclose the holdings and trading in securities of the Company at such frequency as he may determine.

5) All Designated Persons must make an annual disclosure of the number of Securities of the company held as on 31<sup>st</sup> March each year by them including details of purchase / sale of Securities of the Company during the financial year to the Compliance Officer. This disclosure must be made within 7 (seven) days from the close of each financial year.

#### **Disclaimer**

This policy is only internal code of conduct and one of the measures to avoid insider trading. Every insider is required to familiarize himself with the SEBI regulation, as it will be the responsibility of each insider to ensure compliance of this code, SEBI regulation and other related statutes fully.

#### **SEBI Regulations/Statutory Provisions to Prevail**

Please note that in case the SEBI regulation or any statutory provisions are more stringent than those contained in the code, the SEBI regulations/ statutory provisions will prevail.

#### **POLICY AND PROCEDURE FOR INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

This Policy is framed with an aim to implement a structured procedure for investigation in case of leak or suspected leak of UPSI.

#### **Applicability**

This policy shall apply to all Insiders and any other persons as assigned by law from time to time.

#### **Process of inquiry in case of leak of UPSI or suspected leak of UPSI**

1. Complaint (written, oral, or electronic) regarding a leak or suspected leak of UPSI may be received by the Company from the following sources:

a. Internal:

- i. Whistle blower vide the whistle blower process as illustrated in the Whistle blower Policy;
- ii. Any leak or suspected leak of UPSI detected through the internal controls implemented by the Company.

b. External: Registrar and Share Transfer Agent, Depository, Stock Exchange, Regional Director, Registrar of Companies, regulatory / statutory authority or any other department of Central or State Government based on the complaint received from a whistle blower.

(Above shall be collectively referred to as "Complaint(s)")

2. The Chief Compliance Officer shall report the Complaint to the Audit Committee within a reasonable time from the date of receipt of the Complaint;

3. The Audit Committee shall review the Complaint and shall discuss with the Chief Compliance Officer and Company Secretary on potential next steps including but not limited to seek additional information to consider an investigation, disclosure requirements to the regulatory authorities, appointment of an investigation panel consisting of internal employees or external agencies. If the Complaint implicates the Chief Compliance Officer and/or Company Secretary, then they shall recuse themselves from the said inquiry process;
4. If the Audit Committee mandates an investigation, then the identified panel of investigators shall conduct the investigation into the Complaint(s) and present their findings to the Chief Compliance Officer. The Chief Compliance Officer shall report the executive summary of the investigation to the Audit Committee.
5. Based on the update provided by the Chief Compliance Officer, the Audit Committee shall put forward its recommendation to the Board. The Board, on receipt of such recommendation and after due review/deliberations, shall decide on the next steps;
6. The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision and replace this Policy entirely with a new Policy;
7. In case it is observed by the Compliance Officer that there has been a violation of the Regulations, it shall promptly inform the stock exchange(s) where the concerned securities are traded, in such form and such manner as may be specified by the Board from time to time.
8. Any words used in this Policy but not defined herein shall have the same meaning as described to it in the Companies Act, 2013 or Rules made thereunder, Securities & Exchange Board of India Act or Rules and Regulations made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 or any other relevant legislation/law applicable to the Company, as amended from time to time.

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