



HINDUSTAN ZINC LIMITED

INSIDER TRADING PROHIBITION CODE

Code of Conduct to Regulate, Monitor and Report Trading in Securities of the Company

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

Policy for determination of "Legitimate Purpose" &

Policy and Procedures for Inquiry in case of leak of Unpublished Price Sensitive Information

Version - R7

[Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015

Last amended from: - 24 Nov 2022

Hindustan Zinc Limited

Regd. Office: Yashad Bhawan, Udaipur-313004 CIN: L27204RJ1966PLC001208 Website: www.hzlindia.com

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Background

Preventing insider trading is necessary to comply with securities law and to preserve the reputation and integrity of Hindustan Zinc Limited (the "Company") and all persons associated with it. "Insider Trading" may occur when any person subscribes, buys, sells, deals, or agrees to subscribe, buy, sell, deal in any securities and trades while in possession of inside information relating to Company or the Securities of the Company that are listed or proposed to be listed. As explained later in the Code, "Inside Information" is information relating to a company that is listed or proposed to be listed or its securities which is considered to be both "price sensitive" and "not generally available". Insider Trading is an offence punishable under extant laws in India. Insider Trading is prohibited and could result in serious sanctions, including dismissal from the employment of the Company of the concerned persons.

This Code has been formulated to regulate, monitor and report trading by the Designated Persons to comply with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The Code is prescribed to ensure that the Designated Persons and their immediate relative do not trade in the Securities of the Company when in possession of Unpublished Price Sensitive Information (UPSI), and to prevent any speculative dealings, knowingly or unknowingly, by the Designated Persons.

The Company has no tolerance for any form of Insider Trading or similar unlawful security related trade practices.

References

This Code should be referred to in conjunction, amongst others, with the following:

- SEBI (Prohibition of Insider Trading) Regulations 2015, as amended from time to time;
- Applicable provisions of Companies Act, 2013 as amended from time to time;
- Company's Business Ethics and Code of Conduct;
- Whistle Blower Policy of the Company

Interpretation

Words and expressions not defined in this Code shall have the same meaning as contained in the SEBI (Prohibition of Insider Trading) Regulations, 2015 (SEBI PIT Regulations), Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and the rules and regulations made thereunder.

Scope & Applicability

This Code is applicable to all Insiders. Every Insider must review this code. Questions regarding this Code should be directed to the Compliance Officer at email Id <u>Rajendra.pandwal@vedanta.co.in</u>

DEFINITIONS

Designated Persons means:

The board of directors shall in consultation with the compliance officer specify the designated persons to be covered by the code of conduct on the basis of their role and function in the Company and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation and shall include:- :-

- (i) Employees of the Company, designated on the basis of their functional role or access to UPSI;
- (ii) Employees of material subsidiaries of the Company designated on the basis of functional role or access to UPSI;
- (iii) All promoters of the Company;
- (iv) Chief Executive Officer and employees upto two-levels below the Chief Executive Officer of the Company and its material subsidiaries irrespective of their functional role in the Company or their ability to have access to UPSI;
- (v) all Directors;
- (vi) Any support staff of the Company, such as IT staff or secretarial staff who have access to UPSI.

Designated Persons as identified by the Board of Directors: -

- a) Promoter, Directors & KMPs;
- b) HZL EXCO & MANCOM;
- c) HZL Unit EXCO;
- d) HZL employees at M2 level and above;
- e) All Persons in Finance;
- f) Group EXCO Members;
- g) Personal Secretaries of Directors, KMPs and Group EXCO;
- *h)* Group Finance EXCO members;
- i) Employees of the following Departments on the basis of their functional role or access to Unpublished Price Sensitive Information in organization based on confirmation of each HOD of -
 - ✓ Treasury
 - ✓ Corporate Finance including FP&A and Financial Reporting team
 - ✓ Taxation
 - ✓ Management Assurance System (MAS)
 - ✓ Corporate Communication
 - ✓ Corporate Strategy
 - ✓ Investor Relation
 - ✓ Commercial
 - ✓ Secretarial
 - ✓ Legal
 - ✓ M&A
 - ✓ IT
- Such other persons which in the opinion of the Compliance Officer is in possession of UPSI;

Connected Person –

(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 a company or his immediate relative or banker of the company, has more than ten % of the holding or interest

♣ Insider -means any person who is:

- (1) A connected person; or
- (2) Any person who is in possession of or having access to UPSI;

Any other person who may be included in the ambit of definition of Insider as per applicable SEBI Regulations or which in the opinion of the Compliance Officer of the Company needs to be included in the category of Insider;

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.

Note: If spouse is financially independent and doesn't consult an Insider while taking trading decisions, the spouse won't be exempted from the definition of immediate relative. A spouse is presumed to be an "Immediate Relative", unless rebutted so.

Insider Trading Monitoring Committee

- i. The Insider Trading Monitoring Committee comprises of the following officials:
 - Chief Financial Officer (CFO)
 - Chief Human Resource Officer (CHRO)
 - Company Secretary (CS)
- ii. The Chief Financial Officer shall be the Chairman of the Committee and the Company Secretary shall act as Secretary of the Committee.

Unpublished Price Sensitive Information (UPSI)

Means any information, relating to 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 including but not restricted to, information relating to the following: -

- √ financial results;
- √ dividends;
- √ change in capital structure;
- ✓ mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- ✓ changes in Key Managerial Personnel (KMP);

Trading

"trading" means and includes subscribing, redeeming, switching, buying, selling, dealing, or agreeing to subscribe, redeem, switch, buy, sell, deal in any securities, and "trade" shall be construed accordingly

Trading day

means a day on which the recognized stock exchanges are open for trading.

What Is Insider Trading

"Insider Trading" is principally the act of Trading in Securities of the Company having the advantage of access to/possession of UPSI, which when published, would impact the price of the Securities in the market.

It is generally understood that Insider Trading means:

- Trading by Insiders/ Designated Persons and their respective Immediate Relatives, while in
 possession of, or having access to, UPSI, regardless of how one came in possession of or had
 access to such information; or
- Communicating, providing, allowing access or tipping UPSI to others, including recommending any Trade in Securities of the Company, while in possession of, or having access to, such information.
- Trading by Portfolio Managers on behalf of the Insiders is also considered as Insider Trading
 and hence the Designated Persons are expected to take due precaution while trading in
 Securities through Portfolio Managers by.
- Insiders have independent fiduciary duties to their company and its shareholders not to trade
 on UPSI relating to the company's securities. All Directors and Employees of the Company
 should consider themselves as Insiders with respect to UPSI about business, activities and
 Securities. Directors and Employees shall neither trade in Company's Securities while in
 possession of UPSI relating to the Company nor tip (nor communicate, provide or allow access
 except on a need-to-know basis in furtherance of Legitimate Purposes, performance of duties
 or discharge of legal obligations) such information to others.
- When a person has traded in securities while in possession of UPSI, his trades would have been
 presumed to have been motivated by the knowledge and awareness of such information in
 his possession.

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING IN SECURITIES OF THE COMPANY BY THE DESIGNATED PERSONS &THEIR IMMEDIATE RELATIVES

FUNCTION OF THE INSIDER TRADING MONITORING COMMITTEE:

- 1) Overall administration of the Code;
- 2) Conducting inquiries/investigations in matter of actual/ or suspected leak of UPSI, and other violations of the Code;
- 3) Imposing penalty on the persons, who have defaulted in compliance with the Code;
- 4) Compliance with reporting requirements;
- 5) The Committee, considering the nature and severity of the breach, may decide to report any such breach and action taken to the Securities and Exchange Board of India. The above actions of Company will be without prejudice to any civil or criminal action that the regulatory authorities may initiate against such an employee;
- 6) Deciding and finalizing the list of Designated Persons and other, who should be covered by this Code from time to time;
- 7) The Committee can delegate some of the functions, to the Compliance Officer of the Company.

COMPLIANCE OFFICER

The board of Directors has authorized Mr. RAJENDRA PANDWAL as the <u>Compliance Officer</u> & also be called as the <u>Chief Investor Relations officer</u> to deal with dissemination of information and disclosure of unpublished price sensitive information of the company.

Duties of Compliance Officer & Reporting Mechanism

- The Compliance Officer shall, under the supervision of the Board and the Committee, be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, monitoring of Trades as per the Code and implementation of the Code, maintaining records of the Designated Persons (and their Immediate Relatives) and any changes made in the list of Designated Persons (and their Immediate Relatives) and providing guidance and clarifications sought regarding the SEBI Regulations and the Code;
- The Compliance officer shall confidentially maintain a list of such securities as a "restricted list" which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.
- The Compliance Officer shall submit such reports at least once in a year to the Board and in particular, Audit Committee of the Board, including reports in relation to Trading by Designated Persons/ their relatives, every quarter, to enable them to review compliance with the provisions of this Code and SEBI Regulations and to verify that the systems for internal controls are adequate and are operating effectively;
- The Compliance Officer shall maintain records of all the declarations/ disclosures given by the Designated Persons, for a minimum period of five years.
 - The Compliance Officer shall be authorised to make necessary disclosures with the Stock

Exchanges and other relevant statutory authorities in compliance with the SEBI Regulations.

- The Compliance Officer shall ensure uniform and universal dissemination of UPSI to avoid selective disclosure.
- 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 UPSI. He/She shall
 also have regard to whether any such declaration is reasonably capable of being rendered
 inaccurate.
- The Compliance Officer shall discharge other functions and duties as prescribed in the Code or the SEBI Regulations.
- Such other duties as may be delegated by the Insider Trading Monitoring Committee from time to time.

HANDLING OF UPSI

- 1. Designated Persons should take all steps and precautions necessary to restrict access to, and secure, UPSI by, among other things:
 - a) maintaining the confidentiality of UPSI;
 - b) conducting their business/ professions and personal/ social activities so as not to risk inadvertent disclosure of UPSI;
 - c) reviewing confidential documents in public places should be restricted so as to prevent access to UPSI by unauthorized persons.
- 2. Restricting access to documents and files (including computer files) containing UPSI to persons on a need-to-know basis (including maintaining control over the distribution of documents and drafts of documents);
- 3. Files containing UPSI shall be kept secured with restricted access, and computer files containing UPSI should be protected with the help of login, passwords, etc. Appropriate physical and informational barriers shall be put in place to ensure confidentiality of UPSI;
- 4. Promptly removing and cleaning up all confidential documents and other materials containing UPSI from conference rooms following the conclusion of any meetings;
- 5. Disposing of all confidential documents and other papers containing UPSI, after there is no longer any business or other legally required need, through shredders when appropriate;
- 6. Restricting access to areas likely to contain confidential documents or UPSI; and
- 7. Avoiding any discussion pertaining to UPSI in places where the information could be overheard by others, such as in elevators, restrooms, hallways, restaurants, airplanes or taxicabs, etc.;
- 8. Designated persons in possession of, or having access to, UPSI, to the extent feasible, should conduct their business and other activities in areas separate from other Company activities, so as to avoid any leak of UPSI.
- 9. Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of the regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with the regulations.

- 10. No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 11. 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.
- 12. Insider should refer the policy for determination of "legitimate purposes."

CHINESE WALLS PROCEDURES

In terms of the Code, Designated Persons and their immediate relatives are considered as persons having access or expected to have access to UPSI.

- 1. To prevent the misuse of UPSI, the Company has maintained "Chinese Walls" which segregates the premises into inside areas and public areas. Inside areas refer to those areas and departments of the Company in which UPSI may ordinarily be available. Public areas refer to those areas where any UPSI is ordinarily not be available, and to which any outside person may be allowed access.
- 2. Inside areas shall be accessible in normal course only to Designated Persons. Designated Persons in the inside area shall not communicate any UPSI to anyone in public area. Further, Employees who are Designated Persons are to be physically segregated from Employees in the public area. In exceptional circumstances Employees from the public areas may be brought "over the wall" and given confidential information on the basis of "need to know" criteria, under intimation to the Compliance Officer.
- 3. Wherever there is a requirement of sharing UPSI by any Designated Person with another Employee/external third parties, etc., in furtherance of legitimate purposes, performance of duties or discharge of his/ her/ its legal obligations, the person to whom such information is proposed to be shared, shall be "wall-crossed" through wall-crossing procedure set out below and thereupon that person will be treated as insider for the purpose of this regulation.

♣ PROCEDURE FOR WALL-CROSSING

- 1. In the event any person is required to be wall crossed, i.e., brought over the Chinese Wall in order to obtain access to the UPSI for a specific purpose, prior approval of the Compliance Officer must be sought. The Compliance Officer shall consider whether the person being wall crossed, is being provided UPSI on a need to know basis i.e. for legitimate purpose or performance of duties or discharge of legal obligations. Further, UPSI shared with such wall crosser should be limited to the specific transaction or purpose for which such person's assistance is required.
- 2. Persons who are wall crossed / receive UPSI should be notified that they would be deemed to be 'Designated Person' and 'Insider' under this Code. Accordingly, such persons will:
 - (a) execute agreements to undertake confidentiality and non-disclosure obligations;
 - (b) keep the information so received confidential;
 - (c) utilize the UPSI only for the specified purpose; and
 - (d) otherwise not Trade in Securities of the Company when in possession of, or having access to, UPSI.

Appropriate records of all wall crossings will be maintained in the structured digital database.

STRUCTURED DIGITAL DATABASE OF RECIPIENT OF UPSI

- 1. As required under Regulation 3(5) of the SEBI Regulations, The board of directors or head(s) of the organisation of every person required to handle UPSI shall ensure that a structured digital database is maintained containing:
- i. The nature of UPSI and
- ii. The names of such persons who have shared the information and
- iii. 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.
- iv. Name of the Organization or entity which the recipient represents.
- v. Postal Address and E-mail ID of such recipient

Such database shall not be outsourced and maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

2. As required under Regulation 3(6) of the SEBI Regulations the board of directors 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.

TRADING PLAN

- An Insider shall be entitled to formulate a Trading Plan in compliance with SEBI Regulations for dealing in Securities of the Company and present it to the Compliance Officer for approval and public disclosure, which once approved will be irrevocable, pursuant to which trades may be carried out on his behalf in accordance with such plan in *Annexure IX*
- The trading plan shall not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan.
- The trading plan shall 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.
- The trading plan shall entail trading for a period of not less than twelve months;
- The trading plan shall not entail overlap of any period for which another trading plan is already in existence
- The trading plan shall 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
- The trading plan shall not entail trading in securities for market abuse.

<u>Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.</u>

♣ Pre-Clearance of Trades by Designated Persons

- 1. Pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.
- 2. To provide assistance in preventing inadvertent violations of applicable SEBI Regulations and to avoid the appearance of impropriety in connection with the purchase and sale of Company's Securities, any transactions in Company's Securities (including without limitation, acquisitions and dispositions of Company's Securities) by the Designated Persons must be pre-cleared.
- 3. In case of stock options (ESOPs), exercise of options is allowed without pre-clearance. However, the sale of shares allotted on exercise of stock options would require pre clearance
- 4. The pre-clearance needs to be approved and obtained as under:
 - All Pre-clearances needs to be applied to the Compliance Officer;
 - The Pre-clearances will be approved jointly by the CFO and Compliance Officer of the Company.
- 5. The Designated Persons and or their immediate relatives may trade in the Company's Securities only after obtaining pre- clearance of the proposed transactions from the Compliance Officer by submitting an application as per Annexure I and declaring that they are not in possession of any price sensitive information.
- 6. Any oral request from the Designated Persons under this Code and/or oral confirmation for trading in Securities of the Company is not acceptable and shall not be regarded as a valid request or approval for trading in Securities of the Company.
- 7. The approval/rejection would be conveyed through electronic mail. If a request to trade is refused, the Compliance Officer shall provide a written statement of the reasons, to the extent possible, for withholding his or her consent.
- 8. Unless the Designated Person concerned receives a formal communication from the Compliance Officer granting clearance to trade, no approval shall be deemed to have been granted and the Designated Person cannot trade in Securities of the Company.
- 9. While granting permission, the Compliance Officer may impose certain conditions or restrictions, as may be necessary. The Compliance Officer shall also have regard to whether any declaration provided by Designated Person and /or their immediate relatives applying for pre-clearance is reasonably capable of being rendered as inaccurate.
- 10. Also, Designated Person and /or their immediate relatives can trade only upto the number of Securities for which the approval is granted by the Compliance Officer. Any trade which is in excess of number of Securities for which approval has been granted or which is of a kind different from what has been approved, is not permissible. The same will require a fresh approval as provided in the Code.

As an example, if approval has been granted to employee "A" for buying 100 shares, then subject to other conditions of the Code, "A" can buy upto 100 shares but cannot undertake any sale of shares. Also, approval for "A' will not be construed as approval for another employee "B", unless the process as provided in the Code is followed by "B".

- 11. The pre-clearance once approved, shall be valid for a period of 7 trading days from the date of approval. The transactions approved shall be executed in single tranche;
- 12. The Designated Person and/ or their immediate relatives shall file within 2 (two) working days of the execution of the deal, the details of such deal, with the Compliance Officer in the prescribed

form as per Annexure II;

- 13. If the order is not executed within 7 trading days after the approval is given, the Designated Person and /or their immediate relatives must pre-clear the transaction again. The Designated Person and /or their immediate relative shall also be required to provide reasons to the Compliance officer, as per format provided in Annexure II, in case no trades are executed or the trades executed are for lower quantity than the quantity for which the approval was sought.
- 14. The Designated Persons and/ or their immediate relatives shall not Enter into an opposite/contra transaction i.e., sell or buy any number of Securities during the next 6 (six) months following the prior transaction. Provided that this shall not be applicable for trades pursuant to exercise of stock options; Provided further that trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.
- 15. The Compliance Officer may grant relaxation from strict application of such restriction on an application made in this behalf by the concerned Designated Person and /or their immediate relatives and after recording in writing the reasons in this regard; provided that such relaxation does not violate the SEBI Regulations.
- 16. In case a contra Trade is executed, inadvertently or otherwise, in violation of the aforesaid restriction, the profits from such Trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act;
- 17. The Designated Person and/or their immediate relatives shall also not take positions in derivative transactions in the Securities of the company at any time.
- 18. In case the Compliance Officer of the Company intends to trade in the Securities of the Company, he/she shall seek pre-clearance of trade from the Insider Trading Monitoring Committee (ITMC) of the Company. All other provisions of the Code will mutatis-mutandis apply in respect of transactions by the Compliance Officer.

★ TRADING WINDOW

- The Company shall specify a trading period, to be called the "Trading Window", for trading in the Company's Securities. Any Designated Person and their immediate relatives shall not trade in any Securities of the Company during the period when Trading Window is closed.
- The trading window shall be closed when the compliance officer determines that a
 designated person/ their relatives or class of designated persons can reasonably be
 expected to have possession of UPSI. Such closure shall be imposed in relation to such
 securities to which such unpublished price sensitive information relates.
- The Trading Window shall be closed not later than 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.
- The time for commencement of closing the Trading Window shall be decided by the Compliance Officer. The Trading Window shall be opened not earlier than 48 hours after the UPSI is made public;
- Additionally, the Compliance Officer can specify a time for commencement of closing of Trading Window at the time of:
 - Declaration of dividends (interim and final);

- Issue of Securities by way of public/rights/bonus issue etc.;
- Any major expansion plans or execution of new projects;
- Amalgamation, mergers, takeovers and buy back;
- Disposal of whole or substantially whole of the undertaking;
- Any changes in policies, plans or operations of the Company;

Further any other period as may be notified from time to time by the Compliance Officer will also be considered as a closed period.

- The timing for re-opening of the trading window shall be determined by the compliance
 officer taking into account various factors including the UPSI 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.
- All Designated Persons and their immediate relatives shall conduct all their Trading in the Securities of the Company only after obtaining prior approval and in a valid Trading Window and shall not trade in any transaction involving the purchase and sale of the Securities of the Company during the periods when Trading Window is closed, or during any other period as may be specified by the Company from time to time.
- When the Trading Window is open, any trading by Designated Persons and their immediate relatives shall be subject to pre-clearance by the Compliance Officer

MISCELLANEOUS

• In case any provisions of this Code are contrary to or inconsistent with the provisions under the SEBI Regulations, the provisions of SEBI Regulations shall prevail.

■ INSIDER CAN PROVE HIS INNOCENSE

The insider may prove his innocence by demonstrating the circumstances including the following: –

- the transaction is an off-market inter-se transfer between insiders who were in possession of the same unpublished price sensitive information and both parties had made a conscious and informed trade decision.
 - Provided that such unpublished price sensitive information was not obtained under sub-regulation (3) of regulation 3 of the regulations.
 - Provided further that such off-market trades shall be reported by the insiders to the company within two working days. Every company shall notify the particulars of such trades to the stock exchange on which the securities are listed within two trading days from receipt of the disclosure or from becoming aware of such information.
- the transaction was carried out through the block deal window mechanism between persons who
 were in possession of the unpublished price sensitive information without being in breach of
 regulation 3 and both parties had made a conscious and informed trade decision.
 Provided that such unpublished price sensitive information was not obtained by either person
 under sub-regulation (3) of regulation 3 of these regulations
- the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
- the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.
 in the case of non-individual insiders: —

- 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
- 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;
- the trades were pursuant to a trading plan set up in accordance with regulation 5.

REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES

Initial Disclosures

By Promoter/member of the Promoter Group/Directors, KMPs, Senior Management & Designated Persons

- Every person on appointment as a KMP, Senior Management or a director of the Company or upon becoming a promoter or member of the promoter group shall within 7 days of appointment or becoming a Promoter disclose details of the Securities held in the Company to the Compliance officer in *Form B as detailed in Annexure IV*;
- All holdings in Securities of the Company by Designated Persons upon being identified as a
 Designated Person within 7 days as detailed in <u>Annexure V.</u>

Continual Disclosures

- Every promoter, member of the promoter group, designated person and director of the 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, <u>in Form C as detailed in Annexure VI</u>
- The Company shall notify the particulars of Form C received within two trading days of receipt of disclosure or from becoming aware of the transaction to the Stock Exchanges;

Annual Disclosures by Designated Persons

- Annual disclosure thereof containing the below details in <u>Annexure VII</u> within a period of 30 days from the closure of each financial year:
 - a) Name of Immediate Relatives and persons with whom such Designated Person(s) shares a Material Financial Relationship;
 - b) PAN or any other identifier authorized by law of (a)
 - c) Phone, mobile numbers of persons mentioned in (a)

Note: "Material Financial Relationship" shall mean a relationship as 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."

One Time Disclosure by Designated Persons

• One-time disclosure of names of educations institutions from which Designated Persons have studied and names of their past employers *in Annexure VII*

Disclosure by Connected Persons

 The Compliance officer may, at its discretion require any other Insider to make disclosures of holdings and trading in Securities of the Company in such form and at such frequency as may be deemed necessary in order to monitor compliance with these SEBI Regulations in <u>Form D</u> as detailed in Annexure VIII

The Compliance officer may from time-to-time review and modify the formats for submitting disclosures, as may be appropriate.

Consequence of Non-Compliance with the Policy

Failure to comply with this Code is a disciplinary issue and may also constitute a criminal offence in certain cases. Any employee including their Immediate Relatives who violates the provisions of this Code shall be liable for such penal/disciplinary/remedial action as may be considered appropriate by the 'Insider Trading Monitoring Committee (ITMC)' as per the sanction framework mentioned as APPENDIX decided and approved by the ITMC.

All Breaches of this Code with actions taken by the said Committee shall be reported to the Audit Committee & Board of Directors of the Company on a quarterly basis. The above actions of Company will be without prejudice to any civil or criminal action that the regulatory authorities may initiate against such an employee.

PENALTIES BY THE STATUTORY AUTHORITIES

According to Sections 12A and 15G of the Securities and Exchange Board of India Act, 1992. Anyone convicted of insider trading can be punished with up to five years in prison and fines ranging from Rs. 5 lakh to Rs. 25 cr. or three times the profit made – depending on which is higher. The Sebi Act also provides for penalties as high as Rs 25 crore or three times the amount of profits made out of insider trading, whichever is higher.

• RESPONSIBILITY OF INSIDER

It is the responsibility of every Insider to whom the Code is applicable, to follow and comply with the provisions of the Code. When in doubt, the Insiders may seek assistance of the Compliance Officer for any clarification on any provisions of the Code or other related applicable regulations issued by Securities and Exchange Board of India.

PROTECTION OF EMPLOYEES AGAINST RETALIATION AND VICTIMIZATION

- Any suspected violation of leak of UPSI or violation of this Code can be reported under whistle blower mechanism.
- Retaliation for reporting suspected violation is strictly prohibited under this Policy.
- Employees who report any alleged violation of insider trading laws in accordance with the Informant Mechanism introduced vide SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019 dated September 17, 2019, will be protected against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination

REVIEW OF THE POLICY

The Audit Committee and the Board of Directors shall be empowered to amend, modify, interpret these Rules and such Rules shall be effective from such date that the Board may notify in this behalf.

AMENDMENTS IN LAW

Any subsequent amendment/modification in the SEBI Regulations and Companies Act, 2013 and/or the Listing Regulations and/or other applicable laws in this regard shall automatically apply to this Policy.

Disclaimer

THIS POLICY IS ONLY INTERNAL CODE OF CONDUCT AND ONE OF THE MEASURES TO AVOID INSIDER TRADING. EVERY INSIDER IS REQUIRED TO FAMILIARISE HIMSELF WITH SEBI REGULATIONS AS IT WILL BE THE RESPONSIBILITY OF EACH INSIDER (AND HIS RELATIVES) TO ENSURE COMPLIANCE OF THIS

Institutional Mechanism for Prevention of Insider Trading

The Compliance Officer of the company has put in place an adequate and effective system of internal controls to ensure compliance with the requirements given in the regulations to prevent insider trading.

INTERNAL CONTROL SYSTEM

The internal controls include: -

- Identifying persons who have access to, or are expected to have access to UPSI, as Designated Persons;
- Identifying UPSI and maintaining its confidentiality as required under applicable laws;
- Adequate restrictions on communication, or procurement of UPSI;
- Maintaining a list of all persons with whom UPSI is shared and making them aware of their confidentiality and other obligations under the Code;
- Periodic review of the measures and internal controls implemented to evaluate their effectiveness.
- The board of directors shall ensure that the Compliance Officer ensures compliance with the Company's code of conduct to regulate, monitor and report trading by designated persons and immediate relatives of designated persons
- The Audit Committee shall review compliance with the provisions of the regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.
- The Company has formulated written policies and procedures for inquiry in case of leak of UPSI or suspected leak of unpublished price sensitive information, approved by board of directors of the company and accordingly initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.
- The Company has a whistle-blower policy posted on the website which enables the employees to report instances of leak of unpublished price sensitive information.
- If an inquiry has been initiated by the Company in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, the relevant intermediaries and fiduciaries shall co-operate with the Company in connection with such inquiry.

POLICY &PROCEDURE OF INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION

Background

SEBI Regulations, in terms of Regulation 9A(5), requires the Board to formulate policies and procedures for inquiry in case of leak/suspected leak of UPSI.

Any inquiry into any actual or suspected leak of UPSI needs to be tailored to the facts and circumstances of each such instance. Given that it is not possible to provide a standard operating procedure applicable while Inquiring into each such instance of leak/ suspected leak of UPSI, this policy sets out the broad principles that the Board will follow while inquiring into cases of actual or suspected leak of UPSI.

Objective

- To strengthen the internal control system to prevent leak of UPSI;
- To restrict and prohibit the practice of sharing of UPSI, with the un-authorized person, which
 originates from within the company and which affects the market price of the Company as
 well as loss of reputation and investors' / financers' confidence in the company;
- To have a uniform code to curb the un-ethical practices of sharing UPSI by Insiders, Employee & Designated Persons and their immediate relatives with any person, firm, Company or Body Corporate;
- To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and inform the same to the Securities and Exchange Board of India ("SEBI") promptly;
- To take disciplinary actions, if deemed fit against any Insider, Employee & Designated Persons and their immediate relatives who appears to have found guilty of violating this policy, apart from any action that SEBI may initiate/take against the Insider, Designated Persons.

Inquiry Committee

<u>The Insider Trading Monitoring</u> Committee shall be the Inquiry Committee which shall be authorized to:-

- To conduct a preliminary inquiry to ascertain the truth contained in the information or complaint pertaining to actual or suspected leak of UPSI, if any;
- To authorize any person, if required, to collect necessary support material;
- To consider the facts and circumstances and decide / direct on the matter;
- To decide disciplinary action thereon.
- To inform SEBI promptly of such leaks, inquiries and results of such inquiries.

Procedure for inquiry in case of actual /suspected Leak of UPSI:

- Upon becoming aware of actual or suspected leak of UPSI, including by way of:
 - suo motu, including through its internal monitoring; or;
 - ➤ a written complaint and/or email received through the whistle blower mechanism of the Company; or
 - communication received from regulatory authorities,

the Inquiry Committee shall evaluate and determine if the matter merits any inquiry.

- It is clarified that market rumors, inferences based on media reports, or observations made by analysts, etc. will not be the only determining factors for initiating a preliminary inquiry, and the Inquiry Committee, have the discretion to decide if a preliminary inquiry is required to be undertaken, in each such case;
- In the event the Inquiry Committee decides, a preliminary inquiry shall be undertaken in case of actual/suspected leak of UPSI. The rationale for the same would be to enable the Inquiry Committee to establish and take cognizance of actual facts and to decide if prima facie there appears to be any violation of Insider Trading Regulations. Based on the findings of the preliminary inquiry, the Inquiry Committee may decide if a detailed inquiry is required to be undertaken; Based on the determination of the Inquiry Committee, a detailed inquiry may be launched in order to assess the veracity of the allegations regarding actual/ suspected leak of UPSI, including through review of the relevant documentation in this regard, as well as conducting interviews, where deemed necessary;
- While conducting any inquiry into cases of actual/ suspected leak of UPSI, the Inquiry Committee shall regard to the principles of natural justice. Accordingly, it will accord due opportunity of being heard to the relevant Designated Person / Insider against whom the allegations have been leveled, during the course of inquiry. Further, such persons shall be entitled to make submissions and to lead evidence and depose witnesses etc., in their defense, before the Inquiry Committee, and the Committee will be required to assess and consider the same before concluding on the matter.

Outcome of the Inquiry

• Upon the conclusion of the inquiry and on the basis of the outcome thereof, the Inquiry Committee shall decide disciplinary action/penalty, if any, to be awarded to the Designated Person/ Insider. The decision of the Inquiry Committee shall be final and binding.

Disclosure of actual/ suspected leak of UPSI:

• The Compliance Officer shall inform SEBI promptly of such leaks, inquiries and the results of such inquiries as per format provided in *Annexure XI*.

Amendments in Law

Any subsequent amendment/modification in the SEBI Regulations, Companies Act, 2013 and/or the Listing Regulations and/or other applicable laws in this regard shall automatically apply to this Policy.

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURES OF UNPUBLISHED PRICE SENSITIVE INFORMATION

The following is the code of practice and procedure y for fair disclosure of UPSI and the Board of Directors shall adhere to it in letter and in spirit.

- 1. Prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available;
- 2. Uniform and universal dissemination of UPSI information to avoid selective disclosure;
- 3. Unless otherwise resolved by the Board, the Compliance Officer shall act as the chief investor relations officer to deal with dissemination of information and disclosure of UPSI;
- 4. Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available;
- 5. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities;
- 6. Ensuring that information shared with analysts and research personnel is not UPSI;
- 7. Developing 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. Handling of all UPSI on a need-to-know basis

POLICY FOR DETERMINATION OF "LEGITIMATE PURPOSES"

4

BACKGROUND:

Under Regulation 3(2A) require the Board to formulate a policy for determination of 'legitimate purpose', in line with the guidance provided in the SEBI Regulations. The assessment of whether sharing of UPSI for a particular instance would tantamount to 'legitimate purpose' would entirely depend on the specific facts and circumstances of each case. Accordingly, this Policy only sets out the principles that should be considered while assessing if the purpose for which UPSI is proposed to be shared is "legitimate.

- In terms of the SEBI Regulations, the term "legitimate purpose" is clarified to include sharing
 of UPSI in the ordinary course of business by an insider with Company's partners,
 collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors,
 insolvency professionals or other advisors or consultants, provided that such sharing of UPSI
 has not been carried out to evade or circumvent the prohibitions of the SEBI Regulations;
- Primarily, the following principle should be considered:
 - whether sharing of such information is in the ordinary course of business of the Company;
 - whether information is sought to be shared to evade or circumvent the prohibitions of the Regulations;
 - whether sharing the information is in the best interests of the Company or in furtherance of a genuine commercial purpose;
 - whether the information is required to be shared for enabling the Company to discharge its legal obligations;
 - whether the nature of information being shared is to commensurate for the purpose for which access is sought to be provided to the recipient.
- It is clarified that in the event there exist multiple purposes for sharing UPSI, each purposes will be evaluated on its own merits, in line with the aforementioned principles;
- The recipient of UPSI shall be informed of the following, by way of written notice and/ or contractual agreement, such as, confidentiality agreement or non disclosure agreement, that:
 - the information being shared is UPSI and that the Company is the exclusive owner of such LIPSI:
 - upon receipt of UPSI, the recipient would be deemed to be an Insider and subject to the provisions of the SEBI Regulations,
 - the recipient must maintain confidentiality of the UPSI at all times,
 - the recipient may use the UPSI only for the approved purposes for which it was disclosed;
 - the recipient should provide a written undertaking that he/she/it shall not undertake
 Trades in the securities of the Company while in possession of the UPSI;
 - the recipient must extend all cooperation to the Company, as may be required in this regard, and;
 - the recipient like Intermediaries and Fiduciaries who are in receipt of UPSI, in discharge of their professional duties must sign an agreement with the Company that it adopts a code of conduct in terms of Regulation 9(1)(2) of the SEBI Regulations, to inter alia ensure that it safeguards the UPSI in line with the SEBI Regulations;
- The information can be shared by the Company, from time to time, in the ordinary course of

its business activities with its advisers and service providers, viz., auditors, merchant bankers and legal advisers/consultants of the Company, in line with the aforementioned principles;

• Additionally, the Board, or the Compliance Officer authorized by the Board in this regard, shall be responsible for maintaining structured digital database, in compliance with the SEBI Regulations, comprising necessary details of all recipients of UPSI, who receive UPSI in compliance with the SEBI Regulations, including, name, address, email, Permanent Account Number (PAN), or any other identifier authorised by law (where PAN is not available) and such other documents as may be necessary, in the manner that may be prescribed by the Board or SEBI. In this regard, adequate systems and controls shall be put in place to ensure compliance with the SEBI Regulations towards sharing of UPSI for legitimate purposes.

Amendment of this Policy

The Board reserves the right to amend or modify this policy in whole or in part, as it may deem appropriate, to ensure compliance with the SEBI Regulations.

APPENDIX

Sanctions Framework for Consequence Management

- a) Verbal or Written Warning;
- b) Organizing training sessions for other employees and Insiders;
- c) Internal Action, e.g. freeze on increment/promotion, change in role, job level, ineligibility for future participation in the Company's ESOP Scheme;
- d) Monetary Penalty as may be deemed appropriate by the Committee depending on the severity of each case;
- e) Suspension or Employment Termination;

Categorisation of Code Breaches	Suggested Sanctions
Technical Breach	Any action from A to D above
 Trading without pre-clearance; 	or a combination thereof, as
 Executing transaction after expiry of 7 days from date of pre- 	may be decided by the
clearance;	Committee depending on the
 Non-reporting of completion of transaction after pre- 	severity of each case.
clearance;	
Mis-reporting/Non-reporting of information required under	
the Code;	
Non-submission of forms and disclosures as required under	
the Code;	
Non-compliance/delay in compliance with the remedial stigns as your had improved by the Committee.	
actions as may be imposed by the Committee	Amusatian from Cta Fabarra
Substantial Breach	Any action from C to E above
Trading for profiteering in Hindustan Zinc Limited Securities April 2 April	or a combination thereof, as
during close period;	may be decided by the Code Committee depending on the
Transacting in violation of conditional pre-clearance; Dealing in Derivatives:	severity of each case.
Dealing in Derivatives; Dealing in securities on the basis of price consitives.	severity of each case.
 Dealing in securities on the basis of price sensitive Information; 	
 Passing on price sensitive information or making 	
recommendations directly or indirectly for dealing in	
securities on the basis of such information	
Sharing/ Leak of UPSI	

Notes:

- 1. Sanctions mentioned above are not mutually exclusive and more than one can be applied in any situation.
- 2. The ITMC while deciding the level of sanctions may take into account factors such as knowledge of price sensitive information, profiteering motive, level of management responsibility of the individual concerned, numbers of securities transacted, whether the breach occurred as a result of deliberate intent or not.

The sanctions framework provides a guide for determining the appropriate sanction for a Code breach and ITMC may decide any other actions not listed above as may be necessary based on circumstances of a particular case

Any amount collected under this clause shall be remitted to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.