

## **Policy for Prevention of Insider Trading detailing (i) Code of Conduct for Prevention of Insider Trading in shares of Punjab National Bank and (ii) Code of Practices and Procedures for Fair Disclosures**

**Division : Share Department  
(Board & Coordination Division)**  
**Version : 02/2023**



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## Policy Custodian

<b>Division</b>	Share Department (Board & Coordination Division)
<b>Officer in-charge</b>	Company Secretary
<b>Policy Contact</b>	<a href="mailto:hosd@pnb.co.in">hosd@pnb.co.in</a>

## Policy Version Control

Sr. No.	Version Number	Version Date	Summary of changes
1	1/2020	14.02.2020	<ul style="list-style-type: none"><li>i. Inclusion of the standardized format for disclosure of any violations of Code of Conduct for Prevention of Insider trading ('Code of Conduct') in terms of Regulation 9(1) &amp; 9(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015.</li><li>ii. Amendment in clause 9.2 of the Code of Conduct relating to commencement of Trading Restriction Period from the end of every quarter till 48 hours after the declaration of the Financial Results.</li></ul>
2	2/2020	29.10.2020	<ul style="list-style-type: none"><li>i. Amendment in the definition of "Designated Persons" in the Code of Conduct.</li><li>ii. Modification in Clause 3.9 of the Code of Conduct relating to enhancement of the ambit of structured digital database and preservation to include the nature of unpublished price sensitive information, the names of such persons with whom the information has been shared.</li><li>iii. Modification in Clause 9 of the Code of Conduct to include Exemption of applicability of Trading Window restrictions with respect to certain transactions.</li><li>iv. Modification in Clause 9A of the Code of Conduct relating to Institutional Mechanism for Prevention of Insider Trading to provide for review of compliance of the Code/ Regulations by the ACB on quarterly basis.</li></ul>

**पंजाब नेशनल बैंक**  
**शेयर विभाग, बोर्ड और समन्वय प्रभाग, प्रधान कार्यालय**  
**PUNJAB NATIONAL BANK**  
**SHARE DEPARTMENT, BOARD & COORDINATION DIVISION, HEAD OFFICE**

Sr. No.	Version Number	Version Date	Summary of changes
			v. Modification in Clause 10 of the Code of Conduct relating to remittance of amount collected in the form of penalty/sanctions imposed by listed entities for non-compliance to Investor Protection Education Fund administered by SEBI.
3	1/2021	30.03.2021	i. Amendment in Disclosure Formats in the Code of Conduct pursuant to SEBI Circular dated February 09, 2021
4	1/2022	25.02.2022	<p>i. Amendment in the Definition of Designated Persons the Code of Conduct.</p> <p>ii. Deletion of Clause 8.1(a) of the Code of Conduct relating to initial disclosure of holding by Designated Persons as on 15.05.2015 pursuant to omission of the same in the SEBI (PIT) Regulations w.e.f. 21.04.2021.</p> <p>iii. Renumbering of Clause 8.1(b) as Clause 8.1 and alignment of the same with provisions of SEBI (PIT) Regulations and subsequent modification in Form F.</p> <p>iv. Inclusion of sub clause (8) in Clause 9A of the Code of Conduct relating to internal controls under Institutional Mechanism for Prevention of Insider Trading to include a provision relating to the steps being taken for increasing awareness regarding the Code amongst the Designated Persons.</p> <p>v. Amendment in Clause 10 of the Code of Conduct to specify the Competent Authority to decide on the monetary penalty in case of contravention of the Code.</p> <p>vi. Amendment in the 'Code of Practices and procedures for Fair Disclosures with respect to the following:</p> <p>a) Chief Investor Relation Officer who shall be the Chief General Manager (SMEAD) or in his/her absence, the General Manager (SMEAD).</p>

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			b) Substitution of Chief Investor Relation Officer with Compliance Officer for Overseeing and coordinating disclosure and inclusion of a provision regarding Company Secretary for coordinating and communicating with the Stock Exchanges and ensure compliance with various the Guidelines issued by SEBI/ Stock Exchanges. c) Substitution of Chief Investor Relations Officer with Chief General Manager or in his/her absence, the General Manager (CCD) in respect of response to queries on news reports/requests for verification of market rumours and the Company Secretary for responding to such communications from Stock Exchanges/SEBI.
5	01/2023	28.02.2023	i. Definitions of “Securities” and “Trading” modified in line with the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2022 ii. Inclusion of <i>Proviso</i> to the definition of Designated Persons in order to exclude certain employees. iii. Provision relating to submission of quarterly compliance certificate to Stock Exchanges w.r.t. Structured Digital Database included pursuant to the requirement of Circulars issued by Stock Exchanges. iv. Form C and Form D have been re-arranged in a sequential manner and renamed accordingly. v. A clause to the effect that the Designated Person shall immediately inform the Compliance Officer in case he/she or his/her immediate relative decides not to execute the trade after securing pre-clearance, along with reasons thereof, has been added in the Undertaking (Form ‘D’).

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Sr. No.	Version Number	Version Date	Summary of changes
			vi. Heading of Form 'G' has been modified to include a reference of the disclosure to be made after execution of trade upon receipt of Pre-clearance.
6	02/2023	27.02.2024	i. The provision regarding submission of quarterly compliance certificate on compliance with the requirement of Structured Digital Database (SDD), certified either by the Compliance Officer or a Practicing Company Secretary (PCS) in Para 2.4.4(xi)(d) of the Code of Conduct, has been omitted. ii. In Para 2.4.6 of the Code of Conduct, the provision regarding the threshold for seeking pre-clearance for trading in shares has been amended. iii. Para 2.4.8 of the Code of Conduct has been amended to include provisions regarding automation of disclosure, if the value of the securities traded by the Promoter, member of the Promoter Group and Designated Persons of the Bank, in any calendar quarter, aggregates to a traded value in excess of Rs.10 Lakhs. iv. Inclusion of provisions regarding freezing of PAN of Designated Persons during the trading window closure period in Para 2.4.9.ix of the Code of Conduct

## Policy Governance

Frequency Of Review	Annual
Last reviewed on	28.02.2023
Approval Path	ACE → ACB → BOARD
Supersedes	Policy Circular No. HO/SD/BCD/02/2023 dated 31.03.2023

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## 1. Policy Overview

- 1.1. Our Bank is a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970. The Bank is also a *listed entity* and is therefore required to comply with the various regulations issued by the SEBI.
- 1.2. The 'Policy for Prevention of Insider Trading' has been formulated pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- 1.3. This Policy embodies (i) Code of Conduct for Prevention of Insider Trading in shares of Punjab National Bank and (ii) Code of Practices and Procedures for Fair Disclosures (collectively referred to as the "Codes") to be adopted by Punjab National Bank ("PNB" or the "Bank"), whose shares are listed on recognized stock exchanges in India.

## **2. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING IN SHARES OF PUNJAB NATIONAL BANK (“PNB”)**

### **2.1. Background:**

- 2.1.1. The SEBI (Prohibition of Insider Trading) Regulations, 2015 [*hereinafter referred to as SEBI (PIT) Regulations*] require all listed companies and other specified entities to set up an appropriate mechanism and frame & enforce a Code of Conduct for Prohibition of Insider Trading and internal procedures in respect of dealings in securities of PNB by Designated Persons/Insiders including disclosures to be made by them from time to time.
- 2.1.2. Accordingly, a “Code of Conduct & Policy for Prevention of Insider Trading 2015” was formulated by the Bank which came into effect from 15.05.2015 and amended from time to time, in accordance with the SEBI (PIT) Regulations.

### **2.2. Objective:**

- 2.2.1. **Insider trading** is the buying or selling or dealing in the securities of a listed entity by a Director, member of management, an employee of the entity or by any other person such as internal and statutory auditor, agent, advisor, analyst, consultant, etc., who has knowledge of material, ‘inside’ information not available to the general public. The dealing in securities by an ‘insider’ is illegal when it is predicated upon the utilization of ‘inside’ information to profit at the expense of other investors who do not have access to the same information. The prices of most securities generally reflect the available public information about these companies. Hence, any investor who acts on non-public information does so at the cost of public confidence in the securities market and in the process he distorts the level playing field.
- 2.2.2. The Code is based on the principle that Directors, Officers and Employees of the Bank owe a fiduciary duty to, among others, the shareholders of the Bank to place the interest of the shareholders above their own and conduct their personal securities transactions in a manner that does not create any conflict-of-interest situation. The Code is also intended to serve as a guiding charter for all concerned persons associated with the functioning of the Bank and their dealings in securities of PNB.

### **2.3. Scope and Applicability:**

The provisions of the Code will be applicable to Connected Persons/Insiders as detailed in the Policy.



## 2.4. Contents of the Code:

### 2.4.1. Definitions:

As used in this Code:

- i. “Act” means Securities and Exchange Board of India Act, 1992
- ii. “Bank” means Punjab National Bank.
- iii. “Board” means the Board of Directors of the Bank constituted under Section 9 (3) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.
- iv. “Code” means “Code of Conduct for Prevention of Insider Trading in shares of PNB”, including modifications/made there to from time-to-time.
- v. “Compliance Officer” means any Senior Officer reporting to the Board of Directors/Chairman of the Board of the Bank, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the 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 this Code under the overall supervision of the Board of Directors of the Bank. The term “financially literate” shall mean a person who has the ability to read and understand basic financial statements, i.e., balance sheet, profit and loss account, and statement of cash flows.  
  
The Chief Financial Officer of the Bank shall be the Compliance Officer for the purpose of this Code.
- vi. “Connected Person” means –
  - a) Designated persons including Directors of the Bank.
  - b) Statutory Central Auditors (SCAs) of the Bank,
  - c) any person who is or has during the six months prior to the concerned act been associated with the Bank, 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 Bank or holds any position including a professional or business relationship between himself and the Bank 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.

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; or
- b) the holding, associate 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 employee or director thereof; or
- e) an official of a stock exchange or a 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 Bank; or
- j) a concern, firm, trust, Hindu undivided Family, Company or association of persons wherein a director of the Bank or his immediate relative or banker of the Bank, has more than ten percent of the holding or interest.

vii. “Designated Persons” means-

- a) All Directors on the Board of the Bank.
- b) All Chief General Managers and General Managers of the Bank.
- c) All Deputy General Managers and Assistant General Managers posted in the following Divisions at Corporate Office/Head Office:
  - i) Credit Review and Monitoring Division,
  - ii) SASTRA Division,
  - iii) Credit Division,
  - iv) Integrated Risk Management Division,
  - v) Fraud Risk Management Division and
  - vi) Information Technology Divisionor any other Division(s) by whatever name called due to changes in the nomenclature of the aforementioned Divisions.
- d) All Employees posted in the following Divisions:
  - i) Board & Coordination Division (including those attached to the Secretariat of Chairman/Managing Director & CEO, Executive Directors)
  - ii) Treasury Division
  - iii) Finance Division
  - iv) Strategic Management & Economic Advisory Division (SMEAD)or any other Division(s) by whatever name called due to changes in the nomenclature of the aforementioned Divisions.

- e) Personal Assistants posted in the Secretariat of Chief General Managers and General Managers (wherever applicable) at Head Office/Corporate Office.
- f) Any other Employee as may be designated by the Compliance Officer in consultation with the Managing Director & Chief Executive Officer of the Bank considering the objectives of the Regulations and the Code.

Provided that the following employees from the above shall not be considered as 'Designated Persons':

- a. Employees on deputation outside the Bank.
- b. Employees on long-term leave such as sabbatical, etc.

- viii. "Director" means a member of the Board of Directors of the Bank.
- ix. "Generally available information" means information that is accessible to the public on a non-discriminatory basis;
- x. "Immediate relative" means spouse of a person, 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.
- xi. "Insider" means any person who is
  - a) a connected person; or
  - b) in possession of or having access to unpublished price sensitive information
- xii. "Key managerial persons or personnel" means:
  - a) the Managing Director & Chief Executive Officer
  - b) Executive Directors(s);
  - c) Chief Financial Officer; and
  - d) Company Secretary.
- xiii. "legitimate purpose" shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, 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 the SEBI (PIT) Regulations.
- xiv. "Promoter" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issued of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- xv. "Promoter group" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

- xvi. "SEBI" means the Securities and Exchange Board of India.
- xvii. "Securities" shall have the meaning assigned to it under the Securities Contracts (Regulations) Act, 1956(42 of 1956) or any modification thereof and includes derivative transactions in the shares of the Bank.
- xviii. "Specified" means specified by SEBI in writing.
- xix. "Takeover Regulations" means the Securities and Exchange of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- xx. "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.
- xxi. "Trading Day" means a day on which the recognized stock exchanges are open for trading.
- xxii. "Trading Plan" means the term 'Trading Plan' as described in Clause 7 of the Code.
- xxiii. "Unpublished Price Sensitive Information" means any information, relating to the Bank 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:
  - a) Financial Results;
  - b) Dividends;
  - c) Change in capital structure;
  - d) Mergers, demergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and
  - e) Changes in key managerial personnel.

*Words and phrases not specifically defined herein but defined in the Securities and Exchange Board of India Act, 1992, Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or Companies Act, 2013 and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislations.*

#### 2.4.2. Compliance Officer:

- i. The Board has appointed Chief Financial Officer (CFO) as the Compliance Officer to ensure compliance and for effective implementation of the Regulations and this Code.
- ii. The Compliance Officer shall report to the Managing Director & Chief Executive Officer of the Bank.

- iii. The Compliance Officer shall hold the position so long as he/she is in the employment of the Bank. The Managing Director & CEO/Board of the Bank may, at their discretion change the Compliance Officer.
- iv. In the performance of his/her duties, the Compliance Officer shall have access to all information and documents relating to the securities of the Bank.
- v. The Compliance Officer shall act as the focal point for dealings with SEBI in connection with all matters relating to the compliance and effective implementation of the Regulations and this Code.

#### 2.4.3. Duties of the Compliance Officer:

- i. The Compliance Officer shall be responsible for:
  - a) Prescribing the procedures including format for undertaking/information for various activities referred to in the Code in accordance with the SEBI (PIT) Regulations.
  - b) Monitoring adherence to the rules for the preservation of Price Sensitive Information.
  - c) Granting prior approval to the Designated Persons for dealings in securities and monitoring of such dealings in securities.
  - d) Implementation of this Code under the general supervision of the Managing Director & Chief Executive Officer.
- ii. The Compliance Officer shall maintain a record (either manual or in electronic form) of the Designated Persons and their immediate relatives and changes thereto from time to time.
- iii. The Compliance Officer shall assist all the employees in addressing any clarifications regarding the Regulations and this Code.
- iv. The Compliance Officer shall place status report on the compliance of the Code before the Audit Committee of the Board (ACB) on a quarterly basis.
- v. In terms of Regulation 9(1) and 9(2) of SEBI (PIT) Regulations, any violations of code of conduct shall be reported to Stock Exchanges in the standardized format (Annexure VIII – Form I).

#### 2.4.4. Maintenance of Secrecy and Prevention of misuse of Unpublished Sensitive Information.

- i. The Insider shall maintain confidentiality of all 'Unpublished Price Sensitive Information'. No insider shall communicate, provide or allow access to any unpublished price sensitive information, relating to the Bank 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. Further, no person shall procure from or

cause the communication by any insider of unpublished price sensitive information, relating to the Bank or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

- ii. 'Unpublished Price Sensitive Information' shall be handled on a 'need to know' basis. Such information should be disclosed only to those within the Bank 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.
- iii. Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with the SEBI (PIT) Regulations.
- iv. Chinese Wall:
  - a) The term "Chinese Wall" refers to separation of those areas of the organization which routinely have access to confidential information considered "inside areas" from other areas or departments considered "public areas".
  - b) The 'Inside areas' of the Bank shall be the divisions and also include Designated Persons.
  - c) In terms of Chinese Wall, the persons in the inside area of the Bank shall not communicate any Unpublished Price Sensitive Information to anyone in public area.
  - d) In exceptional circumstances, employees from the public areas may be brought "Over the Wall" and given confidential information on "Need to Know" basis, after intimation to the Compliance Officer.
  - e) The Compliance Officer shall make aware individuals of the duties and responsibilities attached to the receipt of inside information, and the liability attached to the misuse or unwarranted use of such information.
- v. All non-public information directly received by any Designated Person should be reported to the Head of his/her Department/Compliance Officer immediately.
- vi. All files containing confidential information shall be kept secure under lock and key. Computer files shall have adequate security of login and Passwords. Files containing confidential information should be deleted/destroyed after its use. Shredders should be used wherever necessary for the destruction of physical files.
- vii. An Insider will not on his own accord reveal any information to any person unless authorized to do so by the Compliance Officer to further his/her legitimate purposes, performance of duties or discharge of legal obligations.

- viii. If an Insider commits a breach or accidentally crosses the 'Chinese Wall' as mentioned at Para 2.4.4.iv above, it shall be reported to the Compliance Officer and immediate action shall be initiated to stop the information from being further misused.
- ix. Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:
  - a) entail an obligation to make an open offer under the takeover regulations where the Board of Directors of the Bank is of the informed opinion that sharing of such information is in the best interests of the Bank;
  - b) not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Bank is of the informed opinion that sharing of such information is in the best interests of the Bank 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 to be adequate and fair to cover all relevant and material facts.
- x. For purposes of Para 2.4.4.ix above, 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 Para 2.4.4.ix, and shall not otherwise trade in securities of the Bank when in possession of unpublished price sensitive information.
- xi. Structured Digital Database:
  - a) The Bank shall ensure that a structured digital database is maintained containing the nature of unpublished price sensitive information, the names of such persons who have shared the information, the names of such persons with whom the information has been shared in terms of the provisions of the Code along with the Permanent Account Number or any other identifier authorized by law, where Permanent Account Number is not available.
  - b) 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.
  - c) Further, such structured digital database shall be 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 SEBI regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

- xii. Designated Persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the Bank on an annual basis and as and when the information changes:
- a) Immediate relatives
  - b) Persons with whom such designated person(s) shares a material financial relationship
  - c) Phone, mobile and cell numbers which are used by them

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

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

#### 2.4.5. Restrictions on trading in securities:

- i. No Insider shall trade in securities of the Bank that are listed or proposed to be listed on a Stock Exchange when in possession of unpublished price sensitive information:

Explanation – When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

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 Insiders who were in possession of the same unpublished price sensitive information without being in breach of Para 2.4.4.ix and both parties had made a conscious and informed trade decision.

Provided that such unpublished price sensitive information was not obtained under Para 2.4.4.ix.

Provided further that such off-market trades shall be reported by the Insiders to the Bank within two working days. The Bank 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.



- b. 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 Para 2.4.4 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 Para 2.4.4.ix of this Code.
  - c. the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
  - d. 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.
  - e. in the case of non-individual Insiders: –
    - 1) 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
    - 2) 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;
  - f. the trades were pursuant to a trading plan set up in accordance with regulation.
- ii. 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 SEBI.
  - iii. No Director/Key Managerial Personnel/Designated Person of the Bank shall buy in the Bank or in its Subsidiary or Associate Company—
    - a. a right to call for delivery or a right to make delivery at a specified price and within a specified time, of a specified number of relevant shares or a specified amount of relevant debentures; or
    - b. a right, as he/she may elect, to call for delivery or to make delivery at a specified price and within a specified time, of a specified number of relevant shares or a specified amount of relevant debentures.

Explanation - For the purposes of the above, “relevant shares” and “relevant debentures” mean shares and debentures of the listed entity in which the concerned person is a Whole-time Director or other Key Managerial Personnel/Designated Person or shares and debentures of the Subsidiary Companies.

#### 2.4.6. Pre-clearance and Contra-Trade

- i. **All Designated Persons and their immediate relatives who intend to trade in 5,000 shares or above of the Bank in a single trading day shall seek pre-clearance for such transactions. The Designated Persons shall also seek approval of the Compliance Officer in case the number of shares traded, during any calendar quarter, exceeds 7500.**

**Further, the Audit Committee of Executives (ACE) is authorized to review the above thresholds at any time during the year in the light of dynamic market price.**

**The procedure for seeking pre-clearance shall be as described hereunder:**

- a) An application shall be made to the Compliance Officer indicating the estimated number of securities that the Designated Persons or their immediate relatives intends to trade in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the Bank in this behalf in Form A (Annexure I) along with a Statement of shares held at the time of pre-clearance in Form B (Annexure II) along with an Undertaking in Form C (Annexure III).
- b) The Compliance Officer shall give permission in Form D (Annexure IV) and make a record of the permission given.
- c) All Designated Persons and their immediate relatives shall execute their order in respect of securities of the Bank within seven trading days after approval of pre-clearance is given. If the order is not executed within the aforementioned specified period, the Designated Person must pre-clear the transaction again.
- d) In case, the Designated Person or his/her immediate relative decides not to execute the trade after securing pre-clearance, he/she shall inform the Compliance Officer of such decision along with reasons thereof immediately.
- e) After execution of the transaction, a Statement as per Form G (Annexure – VI) relating to change in holdings of the Securities of the Bank shall be submitted by the Designated Person to the Compliance Officer, *within two trading days* from the date of such transaction(s). Non-submission of the

Statement shall be in violation/contravention of the above Code of Conduct.

- f) Prior to approving any trades, the Compliance Officer shall be entitled to seek declaration(s) 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.
- g) It shall be the responsibility of Designated Persons to ensure compliance of Para **2.4.6.i(a) to Para 2.4.6.i(f)** above, in case of their immediate relatives also.
- ii. All Designated Persons who buy or sell any number of shares of the Bank shall not execute a contra trade, i.e., sell or buy any number of shares during the next six months following the prior transaction.
- iii. The Compliance Officer may grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate the regulations.
- iv. 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 SEBI for credit to the Investor Protection and Education Fund (IPEF) administered by SEBI under the Act.

Provided that above **Para 2.4.6.ii to 2.4.6.iv** shall not be applicable for trades pursuant to exercise of Stock Options.

#### 2.4.7. Trading Plans:

- i. 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.
- ii. Such trading plan shall: –
  - a. not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan.
  - b. 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 Bank and the second trading day after the disclosure of such financial results;
  - c. entail trading for a period of not less than twelve 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.

- iii. The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the 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.

Provided that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.

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.

- iv. 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.

- v. Upon approval of the trading plan, the Compliance Officer shall notify the Plan to the Stock Exchanges on which the securities are listed.

#### 2.4.8. Disclosures:

**The disclosures to be made under this Para shall include those relating to trading by such person's immediate relatives, and by any other person for whom the person concerned takes trading decisions.**

- i. Initial Disclosures:

Form F (Annexure V) - Every person on appointment as a Key Managerial Personnel or as a Director of the Bank or upon becoming a Promoter or member of the Promoter Group, shall disclose holding of securities (including derivatives) of the Bank as on the date of appointment or becoming a Promoter, to the Compliance Officer within seven days of such appointment or becoming a Promoter.

- ii. Continuous Disclosures:

- a. Form G (Annexure VI): Every Promoter, member of the Promoter Group and Designated Person of the Bank shall disclose to the Compliance Officer the number of such securities (including derivatives) acquired or disposed of within two trading days of such transaction, if the value of the securities

(including derivatives) traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs.10 Lakhs.

**The Bank shall provide the data of Designated Persons, inter alia, including their PAN to the Designated Depository (presently CDSL). Based on the data available with the Designated Depository, the Stock Exchanges shall consolidate the information of the transactions identified by them and the depositories. On consolidation of the transactions, if the aforesaid threshold of Rs.10.00 lakhs is crossed, the Stock Exchange(s) shall disseminate the same on their websites. The transaction(s) carried out on T day shall be disseminated on T+2 day basis.**

**In case of immediate relatives and other persons as specified in sub-para (i) above, the Compliance Officer shall notify the particulars of such trading to the Stock Exchanges on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.**

It is clarified for avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this Para shall be made when the transactions effected after the prior disclosure cross the threshold specified in clause above.

The above disclosures shall be made in such form and such manner as may be specified by SEBI from time to time.

- b. Form H (Annexure VII): - All Designated Persons shall disclose to the Compliance Officer the number of such securities (including derivatives) acquired or disposed of during the financial year beginning from the April and ending with March or from the date when they became designated person till 31<sup>st</sup> March, irrespective of the number of securities traded in, within 30 days of the end of the financial year.

#### 2.4.9. Trading Window

- i. The trading window shall be closed during the time the information referred to in para below becomes generally available
- ii. The Compliance Officer or the Company Secretary shall announce Closure of Trading Window for securities of the Bank when any of the following events occur: -
  - a. Financial Results\*;
  - b. Dividends
  - c. Change in capital structure

- d. Mergers, demergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
- e. Changes in Key Managerial Personnel.

*\*Trading restriction period shall, be made applicable from the end of every quarter till 48 hours after the declaration of the Financial Results.*

iii. The Trading Window shall be *inter-alia* closed:

- a. From the end of each quarter up to 48 (forty eight) hours after the declaration of quarterly/ half yearly/annual financial results. Further the Bank shall ensure that the gap between the approval of financial results by the Audit Committee of Board and the Board of Directors of the Bank would be as narrow as possible and preferably on the same day so as to avoid leakage of material information;
- b. At least 7 days prior to the date of Board meeting for declaration of interim dividend and final dividend.
- c. At least 7 days prior to the date of Board meeting for change in capital structure like issue of securities by way of public/right/bonus, buy-back, etc.
- d. At least 7 days prior to the Board Meeting to approve any mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions.

However, if the circumstances so warrant the time for closing the window may be increased or decreased with the approval of Compliance Officer and the Managing Director and Chief Executive Officer.

- iv. The trading window shall be re-opened 48 hours after information referred to above becomes generally available. The timing for re-opening of the Trading Window shall be determined by the Compliance Officer taking into account various factors including the Unpublished Price Sensitive Information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.
- v. All Designated Persons and their immediate relatives shall conduct all their trading in the securities of the Bank only in a valid trading window and shall not trade in Bank's securities during the periods when trading window is closed, as referred to above or during any other period as may be specified by the Bank from time to time.
- vi. 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 window is closed.

- vii. Promoters, Insiders or Designated Person including Directors who can reasonably be expected to have possession of unpublished price sensitive information and their immediate relatives of the aforesaid persons shall not trade when Trading Window is closed.
- viii. The trading window restrictions shall not apply in respect of –
  - a. transactions specified in sub-para (a) to (d) and (f) of para 2.4.5.i of the Code and in respect of a pledge of shares for a bona fide purpose such as raising of funds, subject to pre-clearance by the Compliance officer and compliance with the Regulations made by SEBI;
  - b. transactions which are undertaken in accordance with Regulations issued by SEBI such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by SEBI from time to time.
  - c. Offer for Sale (OFS) and Rights Entitlements (RE) transactions carried out in accordance with the framework specified by SEBI from time to time.
- ix. **Freezing of PAN of Designated Persons:**
  - a. **The Bank shall confirm/update with the Designated Depository, the details with respect to the ISIN of equity shares of the Bank, Name, PAN, and confirm the demat account number viz. DP ID and Client ID (in case of PAN exempted cases) of the Designated Persons.**
  - b. **The aforesaid details shall be submitted by the Bank to the Designated Depository atleast 2 trading days prior to the commencement of trading window closure date (T-2 days).**
  - c. **The Designated Depository shall provide the details received from the Bank (i.e., Commencement Date and End Date of the trading window closure period, Name and PAN of DPs, ISIN, etc.) to the Stock Exchanges and the other Depository atleast 1 trading day prior to the commencement of trading window closure commencement date (T-1 day).**
  - d. **The demat accounts shall be identified by the Depositories based on the PAN of the Designated Person. Based on the demat accounts, the off-market transactions and creation of pledge shall be restricted by the Depositories for such Designated Persons while the Stock Exchanges shall restrict the on-market transactions of such Designated Persons in equity shares and equity derivatives contracts of the Bank from the**

**Commencement Date of trading window closure period (i.e., T day).**

- e. In case of any addition/deletion/updation pertaining to the details of Designated Persons, the Bank shall separately provide the details to the Designated Depository.**
- f. If the Designated Person(s) are required to be exempted by the Bank from Trading Window restrictions in terms of Para 2.4.9. viii. read with sub-para (a) to (d) and (f) of para 2.4.5.i., the details of such Designated Person(s) to be exempted shall be furnished by the Bank to the Designated Depository.**
- g. The freezing/de-freezing of PAN at the security level on account of changes due to addition or deletion will be effected post market hours.**

**2.4.10. Institutional Mechanism for Prevention of Insider Trading**

- i. The Managing Director & CEO shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in SEBI (PIT) Regulations to prevent insider trading.**
- ii. The internal controls shall include the following:**
  - a. all employees who have access to unpublished price sensitive information are identified as designated person;**
  - b. all the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of Code/SEBI (PIT) Regulations;**
  - c. adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by this Code/SEBI (PIT) Regulations;**
  - d. lists of all employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;**
  - e. all other relevant requirements specified under this Code/SEBI (PIT) Regulations shall be complied with;**
  - f. periodic process review to evaluate effectiveness of such internal controls.**



- iii. The Board of Directors of the Bank shall ensure that the Managing Director and Chief Executive Officer ensures compliance with para 2.4.9 and sub-para (i) and (ii) para 2.4.10 stated above.
  - iv. The Audit Committee of Board of the Bank shall review compliance with the provisions of the Code & SEBI (PIT) Regulations on quarterly basis and shall verify that the systems for internal control are adequate and are operating effectively.
  - v. The Bank shall formulate written policies and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, which shall be approved by Board of Directors of the Bank 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 SEBI promptly of such leaks, inquiries and results of such inquiries.
  - vi. The Bank has a whistle-blower policy and has made employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information. The Policy is also available on the website of the Bank. The employees may report instances of leak of UPSI, if any, as per the reporting procedure laid down in whistle blower policy of the Bank.
  - vii. If an inquiry has been initiated by the Bank 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 Bank in connection with such inquiry conducted by the Bank.
  - viii. All Designated Persons shall be informed about the Code and the requirements of SEBI (PIT) Regulations, 2015 through various communications including Circulars, emails, etc. and display on the Bank's website/ internal portals.
- 2.4.11. Penalty for Contravention of the Code
- i. The Bank may impose monetary penalty on any Designated Person/Insider who trades in securities or communicates any price sensitive information, in contravention of the Code.
  - ii. The Bank may take appropriate disciplinary action in terms of existing disciplinary mechanism given under the regulations of the Bank governing the officer/workmen staff members, which may include wage/ salary freeze, suspension, recovery, withholding of promotions, ineligibility for future participation in employee stock option plans, etc.
  - iii. The Competent Authority to decide the aforesaid monetary penalty shall be a Committee comprising of three CGMs of the Bank (including the Compliance Officer) and headed by an Executive Director of the Bank, duly constituted by the Managing Director & CEO, for the purpose.

- iv. In case the contravention is made by any Director of the Bank, ACB shall be the Competent Authority to decide on the penalty/appropriate action to be taken.
- v. The action by the Bank shall not preclude SEBI from taking any action in case of contravention of the Regulations.
- vi. Any amount collected under this clause shall be remitted to the Investor Protection and Education Fund (maintained and administered by the SEBI).
- vii. In case of contravention of the Code / Regulations, the Bank shall promptly inform the Stock Exchanges where the shares of the Bank are listed, in such form and such manner as may be specified by the SEBI from time to time (Annexure-VIII).

### **3. CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURES**

#### **3.1. Background:**

- i. The Securities and Exchange Board of India (SEBI) framed SEBI (Prohibition of Insider Trading) Regulations, 2015 ("SEBI (PIT) Regulations"), as amended, which prohibit persons connected with a listed entity from dealing in the entity's securities when in possession of unpublished price sensitive information related to the entity in any manner whether to buy or sell the securities of the entity and make undue gain which is not available to the holders of the securities of the entity not in possession of such information.
- ii. Pursuant to SEBI (PIT) Regulations, the Bank is required to formulate a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, inter alia, containing the principles of fair disclosure as stipulated in the SEBI (PIT) Regulations.

#### **3.2. Objective:**

The Code of Practices and Procedures for Fair Disclosures has been formulated to ensure timely and adequate disclosure of unpublished price sensitive information which would impact the price of the Bank's securities and to maintain uniformity, transparency and fairness in dealing with all stakeholders.

#### **3.3. Contents of the Code:**

##### **3.3.1. Definitions:**

The words/terms used in the Code shall have the same meaning as assigned to them in the Bank's Code of Conduct for Prevention of Insider Trading in shares of PNB forming part of this Policy.

Other Words and phrases not specifically defined in the aforesaid Code shall have the meaning as assigned to them under SEBI (PIT) Regulations as amended from time to time.

##### **3.3.2. Norms for disclosure of Unpublished Price Sensitive Information:**

The Bank will adhere to the following Principles of Fair Disclosure for purposes of Code of Practices for Fair Disclosure of Unpublished Price Sensitive Information:

- i. Prompt public disclosure of Unpublished Price Sensitive Information: Unpublished Price Sensitive Information shall be informed by the Bank to the Stock Exchanges promptly and also made generally available for Investors/ Shareholders of the Bank by uploading the same on the Bank's website at [www.pnbindia.in](http://www.pnbindia.in).

The following is an indicative list of information to be made generally available:

- a) Declaration of Financial Results (quarterly, half-yearly and annual).
  - b) Declaration of Dividends (Interim / Final).
  - c) Issue of securities by way of Public/ Rights/Bonus Issues, etc.
  - d) Any major expansion plans or winning of bid or execution of new projects.
  - e) Amalgamation, mergers, takeovers and buy-back.
  - f) Disposal of whole or substantially whole of the undertaking.
  - g) Any material change in Policies, Plans or Operations of the Bank.
  - h) Disruption of operations due to natural calamities.
  - i) Litigation/dispute with a material impact.
  - j) Change in Key Managerial Personnel.
  - k) Any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Bank.
- ii. Uniform and universal dissemination of Unpublished Price Sensitive Information to avoid selective disclosure.
- The disclosure of Unpublished Price Sensitive Information shall be on a continuous, immediate, uniform basis and will be universally disseminated through dissemination of information to the Stock Exchanges / public announcements.
- iii. Overseeing and coordinating disclosure.
- a) In terms of the Code of Conduct for Prevention of Insider Trading as detailed in Para 2 of the Policy, the Chief Financial Officer has been designated as the Compliance Officer of the Bank for, inter alia, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of the Code under the overall supervision of the Board of Directors of the Bank.
  - b) The Compliance Officer shall be responsible for ensuring that the Bank complies with continuous disclosure requirements and for overseeing and coordinating disclosure of unpublished price sensitive information to Stock Exchanges as well as on the website of the Bank.
  - c) The Compliance Officer shall be assisted in his responsibilities for overseeing corporate disclosure practices, by the Company Secretary of the Bank appointed by the Board, who shall coordinate and communicate with the Stock Exchanges and ensure compliance with various the Guidelines issued by SEBI/Stock Exchanges from time to time.

- iv. Prompt dissemination of Unpublished Price Sensitive Information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
  - a) Information disclosure should be normally approved in advance by the respective Departmental/Divisional Heads who shall inform the same to the Compliance Officer for onward dissemination.
  - b) If any unpublished price sensitive information is accidentally disclosed without prior intimation to Compliance Officer, the same shall be informed to the Compliance Officer immediately. In such an event of inadvertent, selective disclosure of unpublished price sensitive information, the Compliance Officer shall take prompt action to ensure that such information is made generally available.
- v. Responding to Queries on News reports and Requests for Verification of Market Rumours.
  - a) The response to queries on News Reports shall be made by the Chief General Manager heading the Corporate Communication Division (CCD) or in his / her absence, by the General Manager (CCD) who is entrusted with the responsibility of managing media and public relations for the Bank.
  - b) The Chief General Manager or in his / her absence, the General Manager (CCD) shall decide in respect of Bank's response to queries on news reports / requests for verification of market rumours.
  - c) Any such communication from the Stock Exchanges/SEBI shall be responded by the Company Secretary after obtaining the necessary clarifications from the concerned Departments under intimation to the Compliance Officer.
- vi. Manner of sharing information with Analysts/Research Personnel/ Institutional Investors.
  - a) The Role of the Chief General Manager of Strategic Management & Economic Advisory Division (SMEAD) involves interacting with Institutional Investors on regular basis; Organizing Investors' Conferences and Road Shows; Arranging Con-call on Financial Results with the Institutional Investors/Analysts on periodic basis. Accordingly, for the purpose of this Code, the Chief General Manager (SMEAD) or in his/her absence, the General Manager (SMEAD) shall be the Chief Investor Relations Officer (CIRO).
  - b) The CIRO shall ensure compliance with disclosure /dissemination of unpublished price sensitive information to Analysts/Institutional

Investors/Research Personnel, etc., in the manner as set out in clauses (1) to (4) below:

- (i) **Only Public information to be provided**– The Bank shall provide only public information to analysts/research persons/institutional investors, etc. Alternatively, the information given to such persons shall be simultaneously made public at the earliest.
- (ii) **Recording of discussion**- In order to avoid misquoting or misrepresentation, as far as possible at least two of Bank's representatives shall be present at meetings with analysts, brokers or institutional investors and such discussions should be recorded.  
  
Best practices shall be developed to make transcripts or record of proceedings of meetings with analysts and other investor relations conferences on the official website of the bank to ensure official confirmation and documentation of the disclosure made.
- (iii) **Handling of unanticipated questions** – The Bank shall be careful when dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions may be taken on notice and a considered response given later. If the answer includes unpublished price sensitive information, a public announcement should be made before responding.
- (iv) **Simultaneous release of Information**- When the Bank organizes meetings with analysts, the Bank shall make a press release or post relevant information on its website of every such meet.

The CIRO shall also ensure compliance of all the disclosure requirements in respect of the Analyst/Investors' Meet, as stipulated under Regulation 30 read with Schedule III of SEBI (LODR) Regulations, 2015 as amended.

vii. Sharing of Unpublished Price Sensitive Information on Need-to-Know basis

Unpublished Price Sensitive Information shall be handled on a "need to know" basis, i.e., Unpublished Price Sensitive Information shall be disclosed only to those where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

- a) "Legitimate purposes of sharing the Unpublished Price Sensitive Information"

The Unpublished Price Sensitive Information may be shared for a legitimate purpose which shall include sharing of such information in the ordinary course of business by an Insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, 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 the SEBI (PIT) regulations.

- b) The legitimate purposes may include:
- (i) Sharing of relevant unpublished price sensitive information with consultants, advisors engaged by the Bank in relation to the subject matter of the proposed deal/ assignment in relation to such information;
  - (ii) Sharing of relevant unpublished price sensitive information with intermediaries/ fiduciaries viz. merchant bankers, legal advisors, auditors in order to avail professional services from them in relation to the subject matter of the unpublished price sensitive information;
  - (iii) Sharing of relevant unpublished price sensitive information with persons for legitimate business purposes (e.g., attorneys, investment bankers or accountants);
  - (iv) Sharing of relevant unpublished price sensitive information with persons who have expressly agreed in writing to keep the information confidential, such as potential customers, joint venture partners and vendors, and not to transact in the Bank's securities on the basis of such information.
  - (v) Sharing of relevant unpublished price sensitive information in case mandatory for performance of duties or discharge of legal obligations.
- c) Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "Insider" for purposes of this Policy and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with the SEBI (PIT) Regulations.
- d) Prior to sharing of the unpublished price sensitive information, the concerned person sharing such information shall comply with the requirements in relation to circumstances and procedure as provided in the Code of Conduct for Prevention of Insider Trading in shares of PNB.

#### **4. Authority for approving Operational Guidelines**

The Policy does not contain any operational guidelines. As such, this clause is not applicable.

## 5. Disclosure of the Policy

The Policy and any amendment thereto will be published on the Bank's website [www.pnbindia.in](http://www.pnbindia.in).

## 6. Ownership of the Policy:

The Share Department (Board & Coordination Division) shall be responsible for formulating/ reviewing/ periodic updation of the Policy.

## 7. Validity and Review of the Policy:

7.1. The Policy shall be effective from 01<sup>st</sup> April, 2024 to 31<sup>st</sup> March, 2025 and shall be subject to annual review.

7.2. Further, the Audit Committee of Executives (ACE) shall be authorised to:

- i) incorporate any changes necessitated in the Policy for the interim period up to the next review, due to regulatory pronouncements made during the validity period of the Policy; and
- ii) extend the validity of the Policy for a further period of three months and the Board will be informed of such extension subsequently at the time of annual review.

## 8. Reporting System:

NIL

## 9. Relaxations/Deviations/Exclusions:

NIL



### Appendix

#### A. Glossary: N.A.

#### B. List of References:

- 1) Securities and Exchange Board of India (SEBI) framed SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended upto November 24, 2022.
- 2) **SEBI Master Circular on Surveillance of Securities Market (Ref. No. SEBI/HO/ISD/ISD-PoD-2/P/CIR/2023/039) dated 23<sup>rd</sup> March, 2023.**
- 3) **SEBI vide 'Master Circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities' (Ref. No. SEBI/HO/CFD/ PoD2/CIR/P/2023/120) dated July 11, 2023.**
- 4) **SEBI Circular on Trading Window closure period under Clause 4 of Schedule B read with Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") – Extending framework for restricting trading by Designated Persons ("DPs") by freezing PAN at security level to all listed companies in a phased manner (Ref. No. SEBI/HO/ISD/ISD-PoD-2/P/CIR/2023/124) dated July 19, 2023.**

ਪੰਜਾਬ ਨੇਸ਼ਨਲ ਬੈਂਕ  
ਸ਼ੇਅਰ ਵਿਭਾਗ, ਬੋਰਡ ਔਰ ਸਮਨਵਧ ਪ੍ਰਭਾਗ, ਪ੍ਰਧਾਨ ਕਾਰਜਾਲਧ  
PUNJAB NATIONAL BANK  
SHARE DEPARTMENT, BOARD & COORDINATION DIVISION, HEAD OFFICE

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**ANNEXURE I**

[Refer Para 2.4.6.i.(a) of the Policy]

**FORM A**

**Application Form For Pre-Clearance Of Trade In Bank's Securities**

The Compliance Officer,  
Punjab National Bank

Dear Sir,

With reference to the Code of Conduct for Prevention of Insider Trading in shares of PNB, I seek your approval to subscribe to/agree to subscribe to/purchase /sell, deal as an agent/principal in \_\_\_\_\_ equity shares of the Bank.

The statement of shareholding in Form B as on \_\_\_\_\_ and undertaking in the prescribed format is enclosed for your perusal.

**The Details of the transaction proposed to be entered are as under:**

Name of the person for whom the transaction is to be executed	
Relationship with the Applicant	
No. of shares covered by the transaction	
Allotment / Purchase / Sale	
Depository ID.	
Client ID	
Particulars of the Broker/DP through whom the transaction is to be executed	Name: Address:

I request you to kindly pre-clear the above transaction at the earliest.

Thanking you,

Yours faithfully,

Signature:

Name of Designated Person:

PF No (If applicable):

Division/Department (If applicable)

Relationship with Designated Person:

Place:

Date:

Encl.: 1. Form-B.

ਪੰਜਾਬ ਨੇਸ਼ਨਲ ਬੈਂਕ  
ਸ਼ੇਅਰ ਵਿਭਾਗ, ਬੋਰਡ ਔਰ ਸਮਨਵਧ ਪ੍ਰਭਾਗ, ਪ੍ਰਧਾਨ ਕਾਰਜਾਲਧ  
PUNJAB NATIONAL BANK  
SHARE DEPARTMENT, BOARD & COORDINATION DIVISION, HEAD OFFICE

**ANNEXURE II**

[Refer Para 2.4.6.i(a) of the Policy]

**Form B**

**Statement of shares of the Bank held at the time of Pre-Clearance**

Name of the Designated Person			
P.F. No.			
Division/Department			
For the period ended			
Particulars		Particulars of shareholding	
Name	Relationship	Folio No./ DP Id Client Id	No. of shares held

\* Add more rows if required

Yours faithfully,

Signature:

Name of Designated Person:

PF No (If applicable):

Division/Department (If applicable)

Relationship with Designated Person:

Place:

Date:

**ANNEXURE III**

[Refer Para 2.4.6.i.(a) of the Policy]

**Form 'C'**

**Undertaking to be accompanied with every Pre-Clearance Application**

The Compliance Officer

Punjab National Bank

Dear Sir,

I \_\_\_\_\_ a Designated Person of the Bank, hereby confirm that I have read and understood the provisions contained in the Policy and that

- a. I shall maintain confidentiality of all 'Unpublished Price Sensitive Information' that may come into my possession in the discharge of my duties with the Bank;
- b. I shall not pass on such information to any person directly or indirectly by way of making recommendation for the purchase or sale of securities of the Bank based on the same;
- c. I shall report to the Compliance Officer, any non-public information that may be directly received by me;
- d. I did not have any access or received 'Unpublished Price Sensitive Information' up to the date of signing this undertaking;
- e. In case I have access to or receive 'Unpublished Price Sensitive Information' after the signing of this undertaking but before the execution of the transaction, I shall inform the Compliance Officer of the change in my position and that I shall completely refrain from dealing in the securities of the Bank till such time such information becomes public;
- f. I have not contravened the Code of Conduct for Prevention of Insider Trading as notified by the Bank from time to time; and
- g. I declare that I shall not execute a contra trade, i.e., sell or buy (as the case may be) any number of securities of the Bank during the next six months following the proposed transaction.
- h. I shall immediately inform the Compliance Officer in case I/immediate relative(s) decide not to execute the trade after securing pre-clearance, along with reasons thereof.

**ਪੰਜਾਬ ਨੇਸ਼ਨਲ ਬੈਂਕ**  
**ਸ਼ੇਅਰ ਵਿਭਾਗ, ਬੋਰਡ ਓਰ ਸਮਨਵਧ ਪ੍ਰਭਾਗ, ਪ੍ਰਧਾਨ ਕਾਰਜਾਲਧ**  
**PUNJAB NATIONAL BANK**  
**SHARE DEPARTMENT, BOARD & COORDINATION DIVISION, HEAD OFFICE**

---

i. that I have made full and true disclosure in the matter.

Yours faithfully,

Signature:

Name of Designated Person:

PF No (If applicable):

Division/Department (If applicable)

Relationship with Designated Person:

Place:

Date:

**ANNEXURE IV**

[Refer Para 2.4.6.i(b) of the Policy]

**Form 'D'**

**Pre-Clearance-Letter of approval from Compliance Officer**

To:

\_\_\_\_\_

Dear Sir,

**Sub: Pre-clearance of trade in Bank's Securities**

With reference to your application dated \_\_\_\_\_ pursuant to Para 2.4.6. of Code of Conduct for Prevention of Insider Trading in shares of PNB, seeking pre-clearance, approval is hereby accorded to the proposed transaction.

You may kindly note that pursuant to provisions of Para 2.4.6 of the said Code, the aforesaid transaction shall be executed within *seven trading days* from the date of receipt of this approval letter, failing which, an application seeking pre-clearance to the proposed transaction together with undertaking in the prescribed format, shall be made afresh within four days from the conclusion of seven trading days stated here in above.

*Please ensure that no contra trade, i.e., sale/purchase (as the case may be) of equity securities of the Bank is executed during the next six months following the transaction, in respect of which approval is being accorded.*

You may also note that a Statement in Form G (as per Annexure –VI of the Code), in respect of the transactions in the securities of the Bank executed by you, is required to be submitted to the undersigned, within two trading days from the date of such transactions. Non-submission of this Statement will be in violation /contravention of the above code of conduct.

Thanking you,

Yours faithfully,

For Punjab National Bank

Compliance Officer

पंजाब नेशनल बैंक  
शेयर विभाग, बोर्ड और समन्वय प्रभाग, प्रधान कार्यालय  
PUNJAB NATIONAL BANK  
SHARE DEPARTMENT, BOARD & COORDINATION DIVISION, HEAD OFFICE

**ANNEXURE V**  
[Refer Para 2.4.8.i of the Policy]

**FORM 'F'**

**Disclosure on becoming a KMP/Promoter-Regulation 7(1)(b) read with Para 2.4.8.i of the Code of Conduct for Prevention of Insider Trading in shares of PNB**

**Part A:** Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or member of the promoter group of the Bank and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2).

Name, PAN, CIN/DIN & Address with contact nos.	Category of Person (KMP / Director or Promoter or member of the promoter group/ Immediate relative to/others, etc.)	Date of appointment of KMP/Director/OR Date of becoming Promoter/ member of the promoter group	Securities held at the time of appointment of KMP/Director or upon becoming Promoter or member of the promoter group		% of Shareholding
			Type of securities (For e.g. - Shares, Warrants, Convertible Debentures, Rights entitlements, etc.)	No.	
1	2	3	4	5	6

Note: "Securities" shall have the meaning as defined under Regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Signature:

Name:

Designation:

Place:

Date:

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PUNJAB NATIONAL BANK  
SHARE DEPARTMENT, BOARD & COORDINATION DIVISION, HEAD OFFICE

**Part B:** Details of Open Interest (OI) in derivatives on the securities of PNB held on appointment of KMP or Director or upon becoming a Promoter or member of the Promoter Group of PNB and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2).

Open Interest of the Future contracts held at the time of appointment of Director/KMP or upon becoming Promoter/member of the promoter group			Open Interest of the Option Contracts held at the time of appointment of Director/KMP or upon becoming Promoter/member of the promoter group		
Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
7	8	9	10	11	12

**Note:** In case of Options, notional value shall be calculated based on premium plus strike price of options.

\*I declare that I, my dependent(s), and other person related to me do not hold Shares/Warrants/Convertible Debenture of PNB/I declare that I have entered details of all my dependent(s) & other persons related to me. (Strike whichever is not applicable)

Signature:

Name:

Designation:

Place:

Date:



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**ANNEXURE VI**

[Refer Para 2.4.6.i.e. and Para 2.4.8.ii.b of the Policy]

**Form 'G'**

**Statement of Periodical Disclosures of Shares held in PNB/Statement of Transaction to be submitted for trade executed pursuant to Pre-clearance/Continual Disclosure - Regulation 7(2) read with Para 2.4.6.vi and 2.4.8.ii.a of the Code of Conduct for Prevention of Insider Trading in shares of PNB**

**Details of change in holding of Securities of Promoter, Member of the Promoter Group, Designated Person or Director of PNB and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).**

Name, PAN, CIN/DIN, & address with contact nos.	Category of Person (Promoter/ member of the promoter group/ designated person/ Directors/ immediate relative to/others, etc.)	Securities held prior to acquisition/ disposal		Securities acquired/Disposed				Securities held post acquisition/ disposal		Date of allotment advice/ acquisition of shares/ disposal of shares, specify		Date of intimation to company	Mode of acquisition /disposal (on market/ public/ rights/ preferential offer/ off market/ Inter-se transfer, ESOPs, etc.)	Exchange on which the trade was executed
		Type of securities (For e.g. – Shares, Warrants, Convertible Debentures Rights entitlements , etc.)	No. and % of share holding	Type of securities (For e.g. Shares, Warrants, Convertible Debentures, Rights entitlement, etc.)	No.	Value	Transaction Type (Purchase/ sale/ Pledge / Revocation / Invocation/ Others- please specify)	Type of securities (For e.g. – Shares, Warrants, Convertible Debentures, Rights entitlement, etc.)	No. and % of shareholding	From	To			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

**Note:** (i) "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.  
(ii) Value of transaction excludes taxes/brokerage/any other charges

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**PUNJAB NATIONAL BANK**  
**SHARE DEPARTMENT, BOARD & COORDINATION DIVISION, HEAD OFFICE**

**Details of trading in derivatives on the securities of PNB by Promoter, member of the promoter group, designated person or Director of PNB and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).**

Trading in derivatives (Specify type of contract, Futures or Options, etc.)						Exchange on which the trade was executed Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts*lot size)	Notional Value	Number of units (contracts* lot size)	
16	17	18	19	20	21	
						22

**Note:** In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Signature:

Name of Designated Person:

PF No (If applicable):

Division/Department (If applicable)

Place:

Date:

**पंजाब नेशनल बैंक**  
**शेयर विभाग, बोर्ड और समन्वय प्रभाग, प्रधान कार्यालय**  
**PUNJAB NATIONAL BANK**  
**SHARE DEPARTMENT, BOARD & COORDINATION DIVISION, HEAD OFFICE**

**ANNEXURE VII**

[Refer Para 2.4.8.ii.b of the Policy]

**Form 'H'**

**Statement of Annual Disclosure of Shares held in PNB**

(To be submitted within 30 days from the closure of the financial year)

Sr. No.	Name of Shareholder	Category of Person	Relationship	PAN No	Folio/Client ID No./DP ID No.	No. of shares held on beginning***	No. of shares acquired during the year	No. of shares sold during the year	No. of shares held on year ended 31 <sup>st</sup> March	Last Updated date

I\* declare that I, my dependent(s), and other person related to me do not hold Shares/Warrants/Convertible Debenture of Punjab National Bank

I/ we declare that I / we have complied with the requirement of not entering into an opposite transaction, i.e., sell or buy any number of shares during the next six months following the prior transaction.

Signature:

Name of Designated Person:

PF No (If applicable):

Division/Department (If applicable)

Place:

Date:

**पंजाब नेशनल बैंक**  
**शेयर विभाग, बोर्ड और समन्वय प्रभाग, प्रधान कार्यालय**  
**PUNJAB NATIONAL BANK**  
**SHARE DEPARTMENT, BOARD & COORDINATION DIVISION, HEAD OFFICE**

**ANNEXURE VIII**

[Refer Para 2.4.3.v and Para 2.4.11.vii of the Policy]

**FORM 'I'**

**Report by Punjab National Bank for violations related to Code of Conduct**  
**under SEBI (Prohibition of Insider Trading) Regulations, 2015**

Sr. No.	Particulars	Details
1	Name of the listed company/ Intermediary/ Fiduciary	
2	Reporting in capacity of: <input type="checkbox"/> Listed Company <input type="checkbox"/> Intermediary <input type="checkbox"/> Fiduciary	
3	<b>A. Details of Designated Person (DP)</b>	
	(i) Name of DP	
	(ii) PAN of the DP	
	(iii) Designation of the DP	
	(iv) Functional Role of the DP	
	(v) Whether DP is Promoter or belongs to Promoter Group	
	<b>B. If Reporting is for immediate relative of DP</b>	
	(i) Name of the immediate relative of DP	
	(ii) PAN of the immediate relative of DP	
	<b>C. Details of transaction(s)</b>	
	a) Name of the scrip	
	b) No of shares traded (which includes pledge) and value (Rs.) (Date-wise)	
	<b>D. In case value of trade(s) is more than Rs.10 lacs in a calendar quarter</b>	
	(i) Date of intimation of trade(s) by concerned DP/director/promoter/promoter group to Company under regulation 7 of SEBI (PIT) Regulations, 2015	
	(ii) Date of intimation of trade(s) by Company to Stock Exchanges under regulation 7 of SEBI (PIT) Regulations, 2015.	
4	Details of violations observed under Code of Conduct	
5	Action taken by listed company / Intermediary/ Fiduciary	
6	Reasons recorded in writing for taking action stated above	
7	Details of the previous instances of violations, if any, since last financial year	

**ਪੰਜਾਬ ਨੇਸ਼ਨਲ ਬੈਂਕ**  
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**PUNJAB NATIONAL BANK**  
**SHARE DEPARTMENT, BOARD & COORDINATION DIVISION, HEAD OFFICE**

8	If any amount collected for Code of Conduct violation(s):													
	(i) Mode of transfer to SEBI - IPEF (Online/Demand Draft)													
	(ii) Details of transfer/payment:													
	In case of Online:													
	<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">Particulars</th><th style="width: 50%;">Details</th></tr> </thead> <tbody> <tr> <td>Name of the Transferor</td><td></td></tr> <tr> <td>Bank Name, branch and Account number</td><td></td></tr> <tr> <td>UTR/Transaction Reference Number</td><td></td></tr> <tr> <td>Transaction Date</td><td></td></tr> <tr> <td>Transaction Amount (in Rs.)</td><td></td></tr> </tbody> </table>	Particulars	Details	Name of the Transferor		Bank Name, branch and Account number		UTR/Transaction Reference Number		Transaction Date		Transaction Amount (in Rs.)		
Particulars	Details													
Name of the Transferor														
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Transaction Amount (in Rs.)														
	In case of Demand Draft (DD):													
	<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">Particulars</th><th style="width: 50%;">Details</th></tr> </thead> <tbody> <tr> <td>Bank Name and branch</td><td></td></tr> <tr> <td>DD Number</td><td></td></tr> <tr> <td>DD Date</td><td></td></tr> <tr> <td>DD Amount (in Rs.)</td><td></td></tr> </tbody> </table>	Particulars	Details	Bank Name and branch		DD Number		DD Date		DD Amount (in Rs.)				
Particulars	Details													
Bank Name and branch														
DD Number														
DD Date														
DD Amount (in Rs.)														
9	Any other relevant information													

Date:

Place:

Yours faithfully,

For Punjab National Bank

Name and Signature of Compliance Officer  
PAN:

Email id: