

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED
POLICY FOR INQUIRY IN CASE OF LEAK OR SUSPECTED LEAK OF
UNPUBLISHED PRICE SENSITIVE INFORMATION

[Under Regulation 9A of Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 2015]

1. Background

Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended (“SEBI PIT Regulations”) mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information (“UPSI”) and initiate appropriate inquiries on becoming aware of leak of UPSI and inform SEBI promptly of such leaks, inquiries and results of such inquiries.

2. Applicability

This Policy shall be applicable with effect from April 1, 2019.

3. Scope

This Policy deals with-

- a) Formulating procedures for inquiry such as initiating inquiry, reporting, etc. in case of leak or suspected leak of UPSI.
- b) Strengthening the internal control system to prevent leak of UPSI.
- c) Penalizing any insider who appears to have found guilty of violating this policy.

4. Definitions

The definitions of some of the key terms used in the Policy are given below. Capitalized terms are not defined herein shall have the meaning assigned to them under the Code/SEBI PIT Regulations.

“Audit Committee” means the Audit Committee constituted by the Board of Directors of the Companies in accordance with Section 177 of the Companies Act, 2013 & Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations).

“Code” means the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

“Compliance Officer” means the person as defined in Code.

“Leak of UPSI” means communication of information which is/deemed to be UPSI by any person, who is in possession of UPSI, to any other person, directly or indirectly, overtly or covertly, or in any manner whatsoever, except for legitimate purposes, performance of his duties or discharge of legal obligations.

“Suspect” means the person or persons against or in relation to whom an inquiry is initiated in case of leak or suspected leak of UPSI.

“Unpublished price sensitive information or UPSI” means any information, relating to a company or its securities, directly or indirectly, that is not generally available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

- (i) Financial results;
- (ii) Dividends;
- (iii) Change in capital structure;
- (iv) Mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
- (v) Changes in Key Managerial Personnel;
- (vi) Such other information as determined by the Board of Directors/Chairman/Whole-time Directors/Chief Financial Officer from time to time.

“Whistle Blower” means an employee of a company making a disclosure under Whistle Blower Policy.

“Working days” means working days of the Company.

5. Procedure for inquiry in case of Leak or suspected Leak of UPSI

a) Source of information relating to leak of UPSI

The Chairman of Audit Committee may on becoming aware sue moto or on receipt of a written intimation of leak or suspected leak of UPSI from:

- the suspect
- any other person, including employees of the Company
- regulators

follow the below mentioned procedure in order to inquire and/or investigate the matter.

b) Preliminary Inquiry

The object of preliminary inquiry is fact finding, to ascertain the truth or otherwise of the allegations contained in the information or complaint, if any, and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to initiate further investigation/inquiry.

The Chairman of the Audit Committee shall forthwith forward such intimation to the Whole-time Directors and/or CFO to conduct a preliminary inquiry headed by Compliance Officer. The said inquiry shall be completed within 2 working days from the date of receipt of such intimation and report thereof shall be circulated to the Chairman of the Audit Committee/Whole-time Directors/CFO and Compliance Officer.

c) Intimation of Leak or suspected Leak of UPSI

If in the opinion of Chairman of the Audit Committee/Whole-time Directors/CFO and Compliance Officer, the preliminary inquiry report warrants further investigation, the same shall be submitted to:

- The Board of Directors
- Inquiry Committee for detailed investigation.

d) Inquiry Committee

Inquiry Committee shall consist of the following persons:

- Whole-time Directors
- Chief Financial Officer
- Any other person nominated by the Whole-time Directors

If any member of Inquiry Committee has a conflict of interest in any given case, then he/she should recuse himself/herself and other members of Inquiry Committee should deal with the matter on hand.

e) Investigation by Inquiry Committee

Upon receipt of the report of the preliminary inquiry and all other supporting documents, the Inquiry Committee is required to initiate the investigation. The said investigation shall be completed within 15 working days from the date of receipt of report of the preliminary inquiry. The Inquiry Committee's investigation report shall be submitted to the Audit Committee and summary report

shall be submitted to the Board of Directors immediately, and such report shall also be submitted to SEBI simultaneously.

6. Powers of the Inquiry Committee

For purpose of conducting inquiry, the Inquiry Committee may:

- a) Call upon
 - Such employees/individuals to seek clarification or information pertaining to the leak.
 - Persons/members of committees involved in generation of the original data for purpose of determination of key figures pertaining to financials.
 - Persons involved in the consolidation of figures for the financial results.
 - Persons involved in the preparation of board notes and presentations.
 - Persons involved in the dissemination of information relating to financial results in the public domain.
 - Any other person who had access to the information
 - Any market intermediaries, fiduciaries and other person/entities who have access to UPSI for inquiry conducted for leak of such UPSI.
- b) At its discretion, invite external investigators/experts.
- c) Take necessary actions including sending the suspect on leave, restrict physical access to the office premise, freeze access to systems, electronic devices, emails, etc. during the pendency of the investigations for fair conduct of the proceedings.
- d) Keep the identity of the suspect confidential till the completion of inquiry unless it is essentially required for the purpose of investigation.
- e) Notify the suspect of the allegations at the outset of internal investigation and provide him opportunity to represent his case and submit evidence.
- f) Do all such acts, deeds, matters and things as are necessary for the purpose of conduct of internal investigation.

7. Rights and obligations of the Suspect

- a) The Suspect shall-
 - Co-operate with the Inquiry Committee during the investigation process.
 - Have a right to consult with a person or persons of their choice, other than members of Inquiry Committee.
 - Right to be informed of the outcome of the investigation.

b) The Suspect(s) has the responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the Suspects.

c) Unless there compelling reasons not to do so, Suspects will be given the opportunity to respond to material findings contained in investigation report. No allegation of wrongdoing against a suspect shall be considered as maintainable unless there is good evidence in support of the allegation.

8. Consequence of non-compliance

a) On receipt of report of inquiry committee, the compliance officer shall forthwith forward such report to the Audit Committee.

b) The disciplinary action against suspect may be taken within 15 working days from receipt of investigation report by the Audit Committee in consultation with the Board of Directors or any other person authorized by the Board.

c) The disciplinary action may include wage freeze, suspension, recovery, clawback, ineligibility for future participation in the Company's stock option plans or termination, as may be decided by the Audit Committee or the Board of Directors or any other person authorize by the Board.

d) SEBI or any other appropriate regulatory authority would also be informed of such violation who may take appropriate action against the suspect.

Policy on determination of Legitimate Purpose

Background

The Company shares data or information with various stakeholders like organizations, agencies, institutions, intermediaries, establishments, persons etc. during the course of its business operations. Such unpublished data or information, if made publicly available may materially impact the market price of the listed securities of the Company. If such persons trade on the basis of unpublished price sensitive information (**'UPSI'**), it could result in an undue advantage to such persons. The trading in the securities of the Company by an insider is governed by and subject to SEBI (Prohibition of Insider Trading) Regulations, 2015 (**'Regulations'**) as amended from time to time.

This **"Policy on determination of Legitimate Purpose"** (**"Policy"**) is framed by the Board of Directors of the Company pursuant to the amendment in the Regulations, in 2018.

This policy is effective from April 1, 2019.

Applicability

This policy is applicable to all Insiders.

Definitions

"Connected Person" means Connected Person as defined under Regulations and shall also include promoters and their directors and key managerial personnel.

"Insider" means any person who is

A Connected Person

In possession of or having access to UPSI

"Unpublished Price Sensitive Information or UPSI" means any information relating to a company or its securities, directly or indirectly, that is not generally available which upon become 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, demergers, acquisitions, delistings, disposals and expansion of business and such other transactions;

Changes in key managerial personnel;

Such other information as determined by the Board of Directors/Whole-time Directors /Chief Financial Officer from time to time.

Legitimate Purpose

“Legitimate Purpose” shall mean sharing of UPSI in the ordinary course of business or on a need to know basis. The Company may share the UPSI if required in the interest of the Company.

Legitimate Purpose shall inter-alia including sharing of UPSI on need to know basis by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors, consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations.

In the following cases which are illustrative in nature, sharing of UPSI would be considered as legitimate purpose:

For investigation, inquiry or request for information by statutory or governmental authorities or any other administrative body recognized by law;

Example: Any call for information or query received from Ministry of Corporate Affairs, Income Tax Authority, Securities and Exchange Board of India (“SEBI”), Stock Exchanges, Reserve Bank of India, Sectoral Regulatory Body, etc.

Under any proceedings or pursuant to any order of courts or tribunals;

As part of compliance with applicable laws, regulations, rules and requirements;

Arising out of any contractual obligations or arrangement entered into by the Company set forth in any contract, agreement, arrangement, settlement, understanding or undertaking;

Arising out of business requirement including requirement for the purposes of promoting the business and strategies of business which may require sharing of information with Promoters and Promoters in turn with their Promoters on need to know basis.