

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

Issue Date: 11.07.2024

Version: 6.0



**Shares & Bonds Department
State Bank of India
Corporate Centre,
Mumbai**

(Note: The code has also been uploaded in SBI Times >> Manuals/Master Circular/ Policies/ SOP >> Shares & Bonds Department Policies >> Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

and

This code has also been uploaded in Bank's website (<https://bank.sbi>) >> Investor Relations >> Disclosure Under Regulation 46 >> Codes & Policies >> Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information)

Instructions issued up to May 2024 by the Bank / regulatory authority have been incorporated in the Code.

VERSION CONTROL

| Version | Date of Review | Approved By |
|----------------|-----------------------|--------------------|
| 1.0 | 18.06.2015 | Central Board |
| 2.0 | 24.04.2019 | Central Board |
| 3.0 | 04.02.2021 | Central Board |
| 4.0 | 27.04.2022 | Central Board |
| 5.0 | 21.06.2023 | Central Board |

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CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

1. PREAMBLE

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“the Regulations”) requires that the Board of Directors of every listed Company to formulate a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information (UPSI) (‘the Code’) towards achieving compliance with the Regulations, adopting minimum standards set out in the Regulation 8(1) read with Schedule A, without diluting the provisions of the Regulations in any manner.

2. OBJECTIVE

The objective of the Code is to formulate a framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for the securities of SBI.

3. DEFINITIONS

All words / terms in the Code shall have the same meaning as assigned to them under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“the Regulations”) as amended from time to time.

- a) **“Unpublished Price Sensitive Information (UPSI)”** means any information, relating to the Bank or its securities, directly or indirectly, that is not generally available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 including but not restricted to, information relating to the following:
- financial results;
 - dividends;
 - change in capital structure;
 - mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
 - changes in key managerial personnel;
 - any such other information which may affect the price of securities.
- b) **“Designated Person”** means:
- All the Directors of the Bank;
 - All the Deputy Managing Directors of the Bank;
 - All the Chief General Managers of the Bank;

- Staff Members attached to the Secretariat of Chairman, Managing Directors, Deputy Managing Directors and Chief General Managers:
- All the Employees of the Bank of the rank/ Cadre of DGM and above in the following Departments:
 - i. Central Board Secretariat
 - ii. Global Markets Department
 - iii. Risk Management Department
 - iv. Compliance Department
 - v. Departments under DMD (Finance)
 - vi. Associates & Subsidiaries Department
 - vii. International Banking Group (IBG) Department
 - viii. Stressed Asset Resolution Group (SARG)
- Staff Members of any rank or cadre attached to any of the above departments identified by respective departmental heads as Designated Person having access to Unpublished Price Sensitive Information.
- All contractual staff members falling in any of the aforementioned categories;
- Employees up to two level below the CEO of Material Subsidiaries of the Bank;
- Employees of Material Subsidiaries of the Bank having access to UPSI of the Bank;
- Promoters of the Bank;
- Such other Employee / Department / support staff of the Bank who may have access to Unpublished Price Sensitive Information, as may be notified by the Compliance Officer depending upon their vulnerability to the matter.

c) "**Insider**" means any person who is:

- a connected person; or
- in possession of or having access to unpublished price sensitive information;

d) "**Connected Person**" for the Bank as listed entity, means and includes:

- i. Any person who is or has during the period of six months prior to the concerned activity 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 temporary / permanent, 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, or falling under any of the categories of persons mentioned below that allows such person, directly or indirectly, access to

Unpublished Price Sensitive Information or is reasonably expected to allow such access.

- ii. Without prejudice to the generality of the foregoing, the persons falling within the following categories and fulfill the above stipulations shall deemed to be Connected Persons unless the contrary is established -
 - a) an immediate relative of Connected Persons specified in clause (i);
or
 - b) The associate company or subsidiary company, if any, of the Bank;
or
 - c) an intermediary as specified in Section 12 of the SEBI Act or an employee or director thereof; or
 - d) an investment company, trustee company, asset management company or an employee or director thereof; or
 - e) an official of a stock exchange or of clearing house or corporation;
or
 - f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - g) a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
 - h) an official or an employee of a self-regulatory organization recognised or authorized by the SEBI; or
 - i) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent of the holding or interest; or
 - j) Any other Person as the Compliance Officer with the approval of the Central Board may specify in this behalf.

Note: *It is intended that a connected person is one who has a connection with the company that is expected to put him in possession of Unpublished Price Sensitive Information. Immediate relatives and other categories of persons specified above are also presumed to be connected persons but such a presumption is a deeming legal fiction and is rebuttable. This definition is also intended to bring into its ambit persons who may not seemingly occupy any position in a company but are in regular touch with the company and its officers and are involved in the know of the company's operations. It is intended to bring within its ambit those who would have access to or could access Unpublished Price Sensitive Information about any company or class of companies by virtue of any connection that would put them in possession of Unpublished Price Sensitive Information.*

4. UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI):

- 4.1 The Bank shall promptly disclose to the general public through stock exchanges, the UPSI that would impact price discovery as soon as credible and concrete information is in possession of the Bank.
- 4.2 The Bank shall disseminate the UPSI on uniform and universal basis and due care shall be taken to avoid selective disclosure.
- 4.3 In a scenario when Bank selectively discloses any UPSI inadvertently or otherwise, steps shall be taken to disseminate the same promptly to make such information generally available.
- 4.4 All UPSI shall be handled by the officials of the Bank & other connected persons on need-to-know basis and in accordance with the provisions of the Regulations.
- 4.5 The Compliance Officer [Under Clause 4.1.4 of the Conduct of Conduct of the Bank] shall ensure that a structured digital database is maintained containing the nature of UPSI and the names of such persons who have shared the information and also the names of such persons with whom information is shared under the Regulations along with the Permanent Account Number or any other identifier authorised by law where Permanent Account Number is not available along with such other additional information as may be prescribed by the Compliance Officer. Such database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. The Compliance Officer shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transaction.

5. OVERSEEING AND COORDINATING DISCLOSURE:

- 5.1 GM (PPR) who is in charge of convening analyst / investor meets on behalf of the Bank shall be the Chief Investor Relations Officer for the purpose of this code, to oversee corporate disclosure practices.
- 5.2 The Bank has designated CGM (Compliance) as the Compliance Officer of the Bank. The Compliance Officer shall be responsible for ensuring that the Bank complies with continuous disclosure requirements, overseeing and coordinating disclosure of price sensitive information to Stock Exchanges, analysts, shareholders and media, and educating staff on disclosure policies and procedure.

- 5.3 The Compliance Officer shall be assisted in his responsibilities for overseeing corporate disclosure practices by the official holding charge of Compliance & Company Secretary in Shares & Bonds Department, who is designated as the nodal officer for coordination and communication with the Stock Exchanges and for ensuring compliance with various terms and conditions of the listing agreements with the Stock Exchanges.
- 5.4 Information disclosure / dissemination should normally be approved in advance by the Dy. Managing Director (Finance) or respective departmental / vertical heads, who shall be the senior management official designated for the purpose.
- 5.5 If the information is accidentally disclosed without prior approval, the person responsible must inform the Compliance Officer immediately, even if the information is not considered price sensitive and if required, the Compliance Officer shall take all reasonable steps to rectify the same.

6. SHARING OF UPSI FOR LEGITIMATE PURPOSE:

- 6.1 UPSI is in the nature of information, matters or developments relating to the Bank, directly or indirectly, of precise nature that, if made public, can have an impact on the prices of the listed securities of the Bank.
- 6.2 Any UPSI can be shared by Designated Person of the Bank only on a need-to-know basis and for furtherance of legitimate purpose, or performance of duties or legal obligations or any sharing of such UPSI in accordance with following principles:
- a. Sharing of relevant UPSI with consultants, advisors, intermediaries, auditors and other parties engaged by the Bank in relation to the subject matter of the proposed deal / assignment / mandate in relation to such UPSI;
 - b. Sharing of relevant UPSI if it is mandatory for performance of duties or discharge of legal obligations. The Designated Person sharing the UPSI shall assess the need to share UPSI by addressing following queries:
 - i. Whether this information is required to be shared?
 - ii. Why the information is required by the recipient?

Response to the two queries shall be well recorded by the concerned Designated Person sharing the UPSI and shall be forwarded to the

Compliance Officer along with the mandate / obligation for updating in the database maintained by Compliance Officer.

- 6.3 Before sharing of the UPSI, the concerned Designated Person shall comply with the requirements in relation to circumstances and procedure for bringing people 'inside' as provided in Code of Conduct of the Bank¹.
- 6.4 In case of any doubt, the Designated Person intending to share UPSI may consult the respective Head of the Department or Compliance Officer in order to confirm if the sharing of such UPSI is for a legitimate purpose.
- 6.5 Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered as an insider for the purposes of this Code and due notice shall be given to such persons to maintain confidentiality of such UPSI by the concerned Designated Person.
- 6.6 In the event of any breach of UPSI by such persons specified above with whom the UPSI has been shared, then the penalty procedure as specified in point 16.1.1 of the 'Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and Immediate Relatives of Designated Persons in the Securities of the State Bank of India for Prohibition of Insider Trading' shall be followed.

7. RESPONDING TO MARKET RUMOURS:

- 7.1 The following procedure shall be followed for responding to any queries or requests from Stock Exchanges or any other regulatory authority for verification of market rumors:
 - 7.1.1 All queries or requests for verification of market rumors received from the Stock Exchanges or any other regulatory authority shall be handled by the General Manager (Shares & Bonds) who will arrange to obtain the necessary clarifications from the concerned departments (which would be duly approved by the respective group heads) and will arrange to advise the Stock Exchanges accordingly after the same is brought to the attention of the Dy. Managing Director (Finance).
 - 7.1.2 Dy. Managing Director (Finance) shall be the designated senior management official responsible for deciding whether a public

¹ CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING IN THE SECURITIES OF THE STATE BANK OF INDIA FOR PROHIBITION OF INSIDER TRADING

announcement / disclosure is necessary for verifying or denying rumors and making such announcement / disclosure, if required.

- 7.1.3 Departmental Heads of the Bank shall keep the General Manager (Shares & Bonds) posted / advised of all important developments taking place in their respective functional areas that have a bearing on the Bank's working and profitability.

8. DISCLOSURE / DISSEMINATION OF PRICE SENSITIVE INFORMATION WITH SPECIAL REFERENCE TO ANALYSTS AND INSTITUTIONAL INVESTORS:

- 8.1 The Bank shall ensure compliance with the guidelines given hereunder while dealing with analysts and institutional investors. The Deputy Managing Director (Finance) shall be the designated official responsible for ensuring compliance with disclosure / dissemination of price sensitive information to analysts and institutional investors in the manner set out in clauses 8.2 to 8.6 below.
- 8.2 **Only Public information to be provided:** The Bank will ensure that information shared with analyst / research personnel / large investors / financial institutions is not Unpublished Price Sensitive Information. Alternatively, the information shared as above shall simultaneously be made public.
- 8.3 **Recording of discussion:** The Chairman or any of the Managing Directors or the Dy. Managing Director (Finance) shall be present at meetings with Investment Analysts, Brokers and Institutional Investors and the discussion should be recorded in order to avoid misreporting or misrepresentation.
- 8.4 **Publishing on website:** The Bank shall publish transcripts or records of proceedings of meetings with analysts and other investor relations conferences on its website to ensure official confirmation and documentation of disclosure made.
- 8.5 **Handling of unanticipated questions:** The Bank shall ensure due care while dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions should be taken on notice and a considered response shall be given later. If the answer includes price sensitive information, a public announcement should be made before responding.

- 8.6 **Simultaneous release of Information:** When the Bank organizes a meeting with analysts, the Bank shall issue a press release or post relevant information on its website after every such meet. Where feasible, the Bank may also consider making necessary arrangements for live webcasting of analyst meets.

9. MEDIUM OF DISCLOSURE / DISSEMINATION:

- 9.1 Disclosure and dissemination of information shall be done through various media including disclosure to stock exchanges so as to achieve maximum reach and quick dissemination.
- 9.2 Disclosure and dissemination of information made through any one of the various media including disclosure to stock exchanges shall be treated as proper disclosure and dissemination of the information.

10. REVIEW OF THE CODE:

- 10.1 This Code is subject to update / review by the Central Board on an annual basis. Consequent upon any further change in the SEBI Regulations or other applicable laws after the Code gets approved, the relevant amended provisions would prevail over the Code till next annual review of the Code.
- 10.2 The Shares and Bonds Department of the Bank or any other department as may be directed by the Central Board shall be empowered to submit the review / updation of this Code.
- 10.3 The Code and any amendments thereto would be intimated to Stock Exchanges where the securities of the Bank are listed.
