



## Code of conduct to regulate, monitor and report Insider Trading

[This Policy was approved in 256<sup>th</sup> meeting of the Board of Directors of NABARD held on 19 March 2024 and was revised in 262<sup>nd</sup> meeting of Board held on 27 May 2025]

**NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT**

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Main Document

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| S. No. | Date of Approval | Changes/Comments                                                                                                                         | Approved By        |
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| 1.0    | 19/03/2024       | The Code is framed as per the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. | Board of Directors |
| 2.0    | 27/05/2025       | Revised based on SEBI (PIT) (3rd Amendment) Regulations, 2024 and SEBI (PIT) (Amendment) Regulations, 2025                               | Board of Directors |

References

| S. No. | References                                                    |
|--------|---------------------------------------------------------------|
| 1.     | SEBI (Prohibition of Insider Trading) Regulations, 2015       |
| 2.     | SEBI (PIT) (3rd Amendment) Regulations, 2024 dated 04.12.2024 |
| 3.     | SEBI (PIT) (Amendment) Regulations, 2025 dated 11.03.2025     |

# Code of conduct to regulate, monitor and report Insider Trading

## 1. INTRODUCTION

- 1.1 National Bank for Agriculture and Rural Development (NABARD) is an All India Financial Institutions established under NABARD Act, 1981 which is fully owned by the Government of India. It is classified as a High Value Debt List Entity (HVDLE) by SEBI and has listed its debt securities in the Stock Exchanges. Being a listed entity it comes under the regulatory ambit of SEBI.
- 1.2 This policy shall be called as “Code of conduct for regulation / prohibition of Insider trading” hereinafter referred to as “Code”. This code is framed pursuant to Regulation 9 (1) of the SEBI (Prevention of Insider Trading) Regulations, 2015 as amended from time to time.
- 1.3 The objective of the code is to lay down a policy framework for regulating, monitoring and reporting of Trading by Designated Persons and their Immediate Relatives with an aim that the Designated Persons and their immediate relatives, as defined in the Code, do not derive any undue benefit directly or through immediate relatives or others having access to and possession of UPSI about NABARD.

## 2. DEFINITIONS

- (i) “**Act**” means the Securities and Exchange Board of India Act, 1992 and includes any statutory modifications or amendments thereto from time to time in force.
- (ii) “**Audit Committee**” means the audit committee constituted by the Board.
- (iii) “**Bank**” means the National Bank for Agriculture and Rural Development (NABARD)
- (iv) “**Board**” means the Board of Directors of NABARD.
- (v) “**Code**” means this Code of conduct for regulation / prohibition of Insider trading.
- (vi) “**Compliance officer**” means any senior officer, designated so and reporting to the Board or Chairman, NABARD, , 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 UPSI, monitoring of trades and the implementation of the codes specified in the Regulations under the overall supervision of the Board or the Chairman, NABARD.  
Compliance Officer designated as per Regulation 6(1) of SEBI (LODR) Regulations shall be deemed as the Compliance Officer in compliance to the PIT regulations and as per the Code.
- (vii) “**Connected person**” means -
  - a) any person who is or has during the six months prior to the concerned act been associated with NABARD, 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 NABARD or holds any position including a professional or business relationship between himself and NABARD 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.

- b) 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 –
- (i) an immediate relative of connected persons specified in clause (a); or
  - (ii) a holding company or associate company or subsidiary company; or
  - (iii) an intermediary as specified in section 12 of the Act or an employee or director thereof; or
  - (iv) an investment company, trustee company, asset management company or an employee or director thereof; or
  - (v) an official of a stock exchange or of clearing house or corporation; or
  - (vi) 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
  - (vii) 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
  - (viii) an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
  - (ix) a banker of NABARD; or
  - (x) a concern, firm, trust, Hindu undivided family, Bank or association of persons wherein a director of the NABARD or his immediate relative, has more than ten percent of the holding or interest;
  - (xi) a firm or its partner or its employee in which a connected person specified in clause (a) is also a partner; or
  - (xii) a person sharing household or residence with a connected person specified in clause (a);
- (viii) **“Dealing in Securities”** means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in the Securities of the Bank either as principal or agent.
- (ix) **“Designated Persons”** The following persons or class of persons will be treated as Designated Persons for the purpose of the Code:
- i. All the Directors of NABARD
  - ii. All the officers in the grade of Chief General Manager or above
  - iii. Employees based on functional role and access to UPSI – All the officers in the grade of Assistant Manager and above in the following departments of NABARD at Head Office
    - a) Chairman Secretariat
    - b) Deputy Managing Directors’ Secretariat
    - c) Finance Department, Accounts Department, Secretary’ Department, Inspection Department and Corporate Planning Department.
    - d) Employees posted at Department of Information Technology (DIT), identified by the Chief General Manager, DIT HO, from time to time based on their access to unpublished price sensitive information.
    - e) Other employees as may be designated.

- (x) **“Director”** means a member of the Board.
- (xi) **“Free Period”** means any period other than “Prohibited Period”.
- (xii) **“Generally Available Information”** means information that is accessible to the public on a non- discriminatory basis. For this purpose, Information published on the website of stock exchange, would ordinarily be considered generally available.
- (xiii) **“Immediate Relative”** means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.
- (xiv) **“Insider” means any person who is:**
  - a) a connected person; or
  - b) in possession of or having access to UPSI.
- (xv) **“Insider Trading”** means when Insiders use UPSI to arrive at Securities trading (including buying as well as selling) decisions, the action is referred to as Insider Trading.
- (xvi) **“Key Managerial Personnel” or “KMP”, in relation to the Bank means:**
  - a) Chairman;
  - b) Managing Director;
  - c) Deputy Managing Directors;
  - d) Company Secretary;
  - e) Chief Financial Officer;
  - f) such other officers, designated by the Board as KMP but are not below the grade of General Manager;
- (xvii) **“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% (twenty five percent) of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.
- (xviii) **“Need to Know”** basis means that UPSI should be disclosed only to those within and outside 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.
- (xix) **“Officer”** means any person including any Director, manager or Key Managerial Personnel or any person in accordance with whose directions or instructions the Board or any one or more of the directors is or are accustomed to act and includes any person having contractual or fiduciary relation with the Bank such as auditors, accountancy firms, law firms, analysts, consultants etc. assisting or advising the Bank.
- (xx) **“Prohibited Period”** means the period during which the “Trading Window” is closed. Unless otherwise notified by the Compliance Officer, the period from the end of every quarter till 48 hours after the declaration of financial results of the NABARD

for the respective quarter/period shall be Prohibited Period. In addition, such other period as may be specified by the Compliance Officer from time to time in consultation with the Chairman.

- (xxi) **"Promoter" and "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.
- (xxii) **"Regulations"** means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.
- (xxiii) **"Securities"** includes the following securities issued by the Bank (to the extent applicable) from time to time and listed in any Stock Exchange
  - a) shares, scrip, bonds, debentures, debenture stock or other marketable securities of like nature;
  - b) any kind of derivatives in the Securities of the Bank; and
  - c) such other instruments recognized as securities under the Securities Contracts (Regulation) Act, 1956 and issued by the Bank from time-to-time except units of a mutual fund.
- (xxiv) **"SEBI"** shall mean the Securities and Exchange Board of India.
- (xxv) **"Specified Person"** means any person or class of persons to whom this code becomes applicable
- (xxvi) **"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.
- (xxvii) **"Trading Day"** means a day on which the recognized stock exchanges are open for trading where securities of the Bank are listed.
- (xxviii) **"Trading Window"** means trading period for trading in the Bank's Securities. All days shall be the trading periods except when trading window is closed.
- (xxix) **"Unpublished Price Sensitive Information" or "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 and shall, ordinarily including but not restricted to, information relating to the following: –
  - a) Financial results;
  - b) Dividends;
  - c) Mergers, de-mergers, acquisition, delistings, disposals and expansion of business and such other transactions;
  - d) Changes in Key Managerial Personnel;
  - e) Resource Mobilization Plan/ fund raising proposed to be undertaken
  - f) change in rating(s), other than ESG rating(s);
  - g) agreements, by whatever name called, which may impact the management or control of the company;
  - h) fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad;

- i) resolution plan/ restructuring or one time settlement in relation to loans/borrowings from banks/financial institutions;
- j) admission of winding-up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;
- k) initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report;
- l) action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company;
- m) outcome of any litigation(s) or dispute(s) which may have an impact on the company;
- n) giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business;
- o) granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

Explanation 1- For the purpose of sub-clause (ix):

a. 'Fraud' shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

b. 'Default' shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Explanation 2- For identification of events enumerated in this clause as unpublished price sensitive information, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be specified by the Board from time to time and materiality as referred at paragraph B of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable."

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

### **3. APPLICABILITY**

This Code shall be applicable to and binding on all Designated Persons and immediate relatives of Designated Persons as mentioned in this Code, for dealing in the securities of the Bank with effect from 01 April 2024.

#### **4. COMPLIANCE OFFICER**

- 4.1 The Compliance Officer shall report to the Board or Chairman of the Bank (or any committee constituted in this regard) and shall provide reports to the chairman of the Audit Committee or other analogous body, if any, or to the chairman of the Board at such frequency as may be stipulated by the Board or the Chairman of the Bank, at least once in a year.
- 4.2 The Compliance Officer shall put in place a reporting framework adequate and appropriate for the implementation of the Code. The compliance officers with the approval of the Chairman can seek information from all the persons who are covered under this code. The information required shall be furnished to the Compliance Officer by all persons for whom this code becomes applicable, in the format prescribed by the Compliance Officer from time to time.
- 4.3 The Compliance Officer shall monitor compliance to policies, procedures, and maintenance of records and adherence to the rules for the preservation of UPSI maintenance of the records of the Designated Persons and any changes in it.
- 4.4 When the trading window is open, trading by Designated Persons shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed trades is above such thresholds as the Board may stipulate.
- 4.5 Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any UPSI. He / She shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- 4.6 The Compliance Officer shall provide guidance and clarifications sought by the Designated Persons and in addressing any clarifications regarding the Regulations including any amendments thereto and this Code.
- 4.7 The timing for re-opening of the trading window shall be determined by the Compliance Officer taking into account various factors including the UPSI in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than 48 (forty-eight) hours after the information becomes generally available.
- 4.8 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's compliance officer on an annual basis and as and when the information changes:
  - i. immediate relatives;
  - ii. persons with whom such designated person(s) shares a Material Financial Relationship;
  - iii. Phone, mobile and cell numbers which are used by them.
  - iv. 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.
- 4.9 The Compliance Officer shall discharge other functions and duties as prescribed in the Code.
- 4.10 The Compliance Officer will inform SEBI & the stock exchange of any violation of the code.

## **5. PRESERVATION OF “UNPUBLISHED PRICE SENSITIVE INFORMATION”**

- 5.1 All information shall be handled within the Bank on a Need to Know basis and no UPSI shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 5.2 All Designated Persons and their immediate relatives shall maintain the confidentiality of UPSI coming into their possession or control. All information shall be handled within the organization on a Need to Know, i.e., the same shall be disclosed only to those persons within the Bank who need to know the same in the course of performance or discharge of their respective professional duties and whose possession of UPSI will not in any manner give rise to a conflict of interest or likelihood of misuse of the information.
- 5.3 No Insider shall communicate, provide, or allow access to any UPSI, 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.
- 5.4 Further, to comply with this confidentiality obligation, no Insider shall, inter alia:
  - (i) pass on UPSI to any person directly or indirectly by way of making a recommendation for the purchase or sale of Securities of the Bank, or
  - (ii) disclose UPSI to their family members, friends, business associates or any other individual, or
  - (iii) discuss UPSI in public places, or
  - (iv) disclose UPSI to any other employee who does not need to know the information for discharging his or her professional duties, or
  - (v) recommend to anyone that they may undertake Dealing in Securities while being in possession, control or knowledge of UPSI, or
  - (vi) be seen or perceived to be Dealing in Securities on the basis of UPSI.

Provided that nothing contained above shall be applicable to any communication required in the ordinary course of business or profession or employment or under any law.

- 5.5 No person shall procure from or cause the communication by any Insider of UPSI, 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 unless complied with the procedure for fair disclosure of UPSI of the Bank i.e. sharing of the information in the ordinary course of business with credit rating agencies, legal advisors, auditors, or consultants, regulatory authorities or any other agency as may be required with the consent/intimation/approval of the competent authority for legitimate purposes only. Sharing of UPSI under legitimate purpose may be under scrutiny if required that such sharing is not to evade or circumvent the prohibitions of the code.
- 5.6 Chinese Wall Procedures: To prevent the misuse of confidential information, the Bank shall separate those areas/verticals of the Bank which routinely have access to confidential information, considered “inside areas” from other departments considered “public areas”. The employees in the inside area shall not communicate any price sensitive information to any one in public area. In exceptional circumstances employees from the public areas may be bought “over the wall” and given confidential information on the basis of Need to Know

criteria, under intimation to the Compliance Officer.

- 5.7 Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.
- 5.8 UPSI may be communicated, provided, allowed access to or procured, for furtherance of legitimate business purposes and/or in compliance to legal obligations, to third parties which shall be required 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.
- 5.9 Further, a structured digital database, with adequate internal controls, shall be maintained containing the names of such persons or entities, with whom UPSI is shared along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available as per the regulations of SEBI from time to time in this regard.

## **6 TRADING WHEN IN POSSESSION OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

- 6.1 No Insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of UPSI. When a person who has traded in securities has been in possession of UPSI, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.
- 6.2 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 UPSI without being in breach of applicable Regulation 3 and 10 of the Regulations both parties had made a conscious and informed trade decision and the same is reported by the Insiders to the Bank within 2 (two) working days and the Bank shall notify the particulars of such trades to the stock exchange on which the Securities of the Bank are listed within 2 (two) Trading Days from being in receipt of such information or receipt of disclosure. Provided that such UPSI was not obtained by either person under Regulation 3(3) of the Regulations.
  - b) the transaction was carried out through the block deal window mechanism between persons who were in possession of the UPSI without being in breach of Regulation 3 and both parties had made a conscious and informed trade decision; provided that such UPSI was not obtained by either person under Regulation 3(3) of the Regulations.
  - 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 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: – (a) the individuals who were in possession of such UPSI were different from the individuals taking

trading decisions and such decision-making individuals were not in possession of such UPSI when they took the decision to trade; and (b) appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no UPSI 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) Trades were pursuant to a Trading Plan set up in accordance with this Code.

6.3 In the case of connected persons, the onus of establishing, that they were not in possession of UPSI, shall be on such connected persons and in other cases, the onus would be on the Board.

## **7. TRADING PLAN**

7.1 An Insider or a Designated Person who may be perpetually in possession of UPSI shall have an option to formulate a trading plan for Dealing in Securities and present it to the Compliance Officer for approval and disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

7.2 Such trading plan shall:

- (i) not entail commencement of trading on behalf of the Insider or Designated Persons or their immediate Relatives earlier than 6 (six) months from the public disclosure of the trading plan;
- (ii) not entail trading in Securities of the Bank for the period between the 20th (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 2<sup>nd</sup> (second) Trading Day after the disclosure of such financial results;
- (iii) entail trading for a period of not less than twelve months;
- (iv) not entail overlap of any period for which another trading plan is already in existence;
- (v) set out either the value of trades to be effected in the Securities 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
- (vi) not entail trading in securities for market abuse.

7.3 The Compliance Officer shall review the trading plan to assess whether the plan would have the potential for violation of the Code or the Regulations and shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the trading plan as per provisions of the Regulations. Provided that pre-clearance of trades shall not be required for a trade executed as per a pre-approved trading plan. Provided that the Trading Window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with the pre-approved trading plan.

7.4 The Trading Plan once approved shall be irrevocable and the Insider or the Designated Person or their Immediate Relatives 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. However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any UPSI and the said

information has not become generally available at the time of the commencement of implementation.

- 7.5 The commencement of the Plan shall be deferred until such UPSI becomes generally available at the time of commencement of implementation and in such event, the Compliance Officer shall confirm that the commencement ought to be deferred until such UPSI becomes generally available. Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.
- 7.6 Once trading plan has been approved by the Compliance Officer, pre – clearance shall not be required for any trades in accordance with the Trading plan. Further, Trading Window norms and restriction on contra trade shall not be applicable for trades carried out in accordance with the trading plan approved by the Compliance Officer.

## **8. TRADING WINDOW AND WINDOW CLOSURE**

- 8.1 The Trading Window shall be, inter alia, closed as prescribed under listing regulations or any amendment thereof during the time the UPSI is published.
- 8.2 When the Trading Window is closed, the Designated persons shall not trade in the Bank's securities (to the extent applicable) during such period.
- 8.3 All Designated persons shall conduct all their dealings in the securities of the Bank (to the extent applicable) only in a valid Trading Window and shall not deal in any transaction involving the purchase or sale of the Bank's securities during the periods when the Trading Window is closed as referred in the clause below or during any other period as may be specified by the Bank from time to time.
- 8.4 The Compliance Officer after taking into account various factors including the UPSI in question becoming generally available and being capable of assimilation by the market, shall decide the timing for reopening of the Trading Window, however in any event it shall not be earlier than 48 (forty-eight) hours after the information becomes generally available.
- 8.5 The Compliance Officer shall intimate the closure of Trading Window to all the designated employees of the Bank when he determines that a designated person or class of Designated Persons can reasonably be expected to have possession of UPSI. Such closure shall be imposed in relation to such securities to which such UPSI relates.
- 8.6 The Trading Window shall be, inter alia, closed at the time of:
- (i) Financial Results;
  - (ii) Dividends;
  - (iii) Mergers, de-mergers, acquisitions, De-listings, disposals and expansion of business and such other transactions;
  - (iv) Changes in Key Managerial Personnel.
  - (v) Resource Mobilization Plan; and
  - (vi) Any other matter as may be declared as Price Sensitive Information by the Compliance Officer under this Code.

- 8.7 The Trading Window shall also be applicable to any person having contractual or fiduciary relation with the Bank such as Auditors, Accountancy Firms, Law firms,

Analysts, Consultants, etc., assisting or advising the Bank.

8.8 The Trading Window restrictions for the transaction in securities shall be not applicable

(A) in compliance with the transactions specified in clauses (i) to (iv) and (vi) of the proviso of sub-regulation (1) of regulation 4 of the Regulations and in respect of a pledge of Securities (to the extent applicable) for a bonafide purpose such as raising of funds, when done in accordance to compliance with the Regulations as specified under sub-clause (3) of clause 3 of schedule B of listing regulations or any amendment thereof time to time

(B) the Point 4(3)(b) of Schedule B of the Regulations, to the extent applicable.

8.9 If the unpublished price sensitive information not emanating from within NABARD, trading window may not be closed.

## **9. PRE- CLEARANCE OF TRADES**

9.1 All Designated Persons, who intend to deal in the securities of the Bank (to the extent applicable) when the Trading Window is opened and if the value of the proposed trades is INR 10,00,000/- (Indian Rupees Ten Lakhs Only) (market value) or more should pre-clear the transaction. However, no designated person shall be entitled to apply for pre-clearance of any proposed trade, if such designated person is in possession of UPSI even if the Trading Window is not closed and hence, he shall not be allowed to trade.

9.2 The pre-dealing procedure shall be hereunder:

- (i) An application may be made in the prescribed Forms to the Compliance officer during valid Trading Window. The application is to be filed along with Statement of Holding in Securities of the Bank and an undertaking at the time of pre-clearance.
- (ii) An undertaking shall be executed in favour of the Bank by such Director, Key Managerial Personnel and Designated Persons incorporating, inter-alia the following clauses as may be applicable.
  - (a) That the Designated persons does not have any access or has not received UPSI up to the time of signing the undertaking,
  - (b) That in case the Designated persons has access to or receives UPSI after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his position and that he/she would completely refrain from dealing in the securities of the Bank till the time such information becomes public,
  - (c) That he/she has not contravened the code of conduct for prevention of Insider trading as notified by the Bank from time to time and
  - (d) That he/she has made a full and true disclosure in the matter.

## **10. APPROVALS**

10.1 The Compliance Officer shall process the pre-clearance applications and if pre-clearance application is in accordance and in compliance with the provisions of this Code, the Compliance Officer shall endeavour to communicate to the Pre-

clearance immediately but not later than 2 (two) working days after the receipt of the application for Pre-clearance of Dealing in Securities by the Compliance Officer, and such clearance need to approval of Chairman.

- 10.2 Trades that have been pre-cleared have to be executed within a period of 7 (seven) Trading Days from the date of approval, failing which fresh pre-clearance would be needed for the trades to be executed. However, such approval is automatically deemed to be withdrawn if such period is superseded by closure of Trading Window. The Compliance Officer shall retain copies of all applications and acknowledgements and also maintain the Register of Pre-clearance of trade.
- 10.3 In exceptional circumstances consent may not be given if the Compliance Officer is of the opinion that the proposed deal is on the basis of possession of any UPSI. There shall be no obligation to give reasons for any withholding of consent.
- 10.4 Designated Persons shall file within 7 (seven) days of the execution of the deal, the details of such deal, with the Compliance Officer in the prescribed form. In the event of executing the transaction or not executing the transaction, a report to that effect shall be filed with the Compliance Officer b. If a deal is not executed pursuant to the approval granted by the Compliance Officer within 7 (seven) Trading Days, then such person shall apply once again to the Compliance Officer for Pre-clearance of the transaction covered under the said approval.

## **11. DISCLOSURE**

- 11.1 Compliance Officer shall be responsible for implementation of this code, adherence to the disclosure and reporting requirements as prescribed by SEBI from time to time.
- 11.2 Towards this end, every specified person shall be required to submit required information within the timelines prescribed in the formats prescribed by the Compliance Officer from time to time. The operational guidelines including the formats in which the information is required to be submitted shall be issued by the Compliance Officer with the approval of the Chairman of NABARD.

## **12. PENALTY FOR CONTRAVENTION OF THE CODE OF CONDUCT**

- 12.1 Every Designated persons shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).
- 12.2 Any designated persons who violate the Code shall also be subject to disciplinary action by the Bank, which may be decided by the competent authority.
- 12.3 The action by the Bank shall not preclude SEBI from taking any action in case of violation of the Regulations.

## **13. STRUCTURED DIGITAL DATABASE**

- 13.1 NABARD shall maintain a structured digital database for maintaining the nature of unpublished price sensitive information and the names of persons or entities with whom information has been shared under and the names of such persons who have shared the information along with the Permanent Account Number or any other identifier authorized by law where Permanent Account

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

- 13.2 Entry of information, not emanating from within NABARD, in structured digital database may be done not later than 2 calendar days from the receipt of such information.
- 13.3 The Bank shall maintain a structured digital database for maintaining the nature of UPSI and the names of persons or entities with whom information has been shared and the names of such persons who have shared the information along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such digital 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. The Bank shall ensure that the database is maintained for a minimum period of 8 (eight) years after completion of a transaction, in cases when the Board provides information regarding any investigation or enforcement proceeding, the information in the database shall be maintained till the completion of such investigation or proceeding.

#### **14. AMENDMENTS**

The Board reserves the power to review and amend this Code from time to time. All provisions of this Code would be subject to revision or amendment in accordance with the applicable law as may be issued by relevant statutory, governmental, or regulatory authorities, from time to time.

#### **15. MISCELLANEOUS**

Any person to whom this Code applies, and who has a doubt as to interpretation of any clause of the code, should at all times consult the Compliance Officer. Code shall be uploaded on the website of the NABARD for wide circulation