

# **HCL Technologies Limited**

## **CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

**(“FAIR DISCLOSURE CODE”)**

## Revision History

Version	Description	Effective date	Approved by
1.0	This `Fair Disclosure Code` replaces the earlier `Code for Corporate Disclosures.`	May 30, 2015	Board of Directors vide Circular Resolution dated May 30, 2015
1.1	This `Fair Disclosure Code` replaces the earlier `Fair Disclosure Code.`	August 3, 2016	Board of Directors vide Resolution passed in the Board Meeting dated August 1-3, 2016
1.2	This `Fair Disclosure Code` replaces the earlier `Fair Disclosure Code.`	May 2, 2018	Board of Directors vide Resolution passed in the Board Meeting dated April 30 – May 2, 2018
1.3	This `Fair Disclosure Code` replaces the earlier `Fair Disclosure Code.`	April 01, 2019	Board of Directors vide Resolution passed by Circulation dated April 4, 2019
1.4	This `Fair Disclosure Code` replaces the earlier `Fair Disclosure Code.`	March 16, 2020	Board of Directors vide Resolution passed by Circulation dated March 16, 2020

## **1. Background**

The Securities and Exchange Board of India (“SEBI”) formulated the SEBI (Prohibition of Insider Trading) Regulations 2015 on 15<sup>th</sup> January 2015 and these regulations came into force on the 120<sup>th</sup> day from the publication in the official gazette i.e. on May 15, 2015. As per these Regulations, a company listed on any Indian Stock Exchange shall initiate and implement a code of practices and procedures for fair disclosure of unpublished price sensitive information (“the Code”) for prevention of insider trading.

Further, owing to the amendments brought in by the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Board of Directors has approved the revised code “Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information” which amends the earlier “Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information”. The revised code hereinafter is referred as the “Fair Disclosure Code”.

## **2. Definitions**

- 2.1 “Act” means the Securities Exchange Board of India Act, 1992 (15 of 1992).
- 2.2 “Board” means the Board of Directors of the Company.
- 2.3 “Chief Investor Relations Officer” or “CIO” means the Head of Investor Relations function.
- 2.4 “Company” means HCL Technologies Limited.
- 2.5 “Company Secretary” means the company secretary of the Company appointed in terms of the resolution passed by the Board of the Company in compliance of the provisions of the Companies Act, 1956 / Companies Act, 2013.
- 2.6 “Compliance Officer” means Company Secretary of HCL Technologies Limited or any other senior officer, designated so from time to time, appointed in compliance with the provisions of SEBI Insider Trading Regulations.
- 2.7 “SEBI” means the Securities and Exchange Board of India.
- 2.8 “SEBI Insider Trading Regulations” shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto from time to time.

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

- i) Periodical audited or un-audited financial results of the Company;
- ii) Intended declaration of dividends (both interim and final) by the Company;
- iii) Change in capital structure including buy-back of securities;
- iv) Any amalgamation, mergers, de-mergers, acquisitions/takeovers, delisting proceedings, disposal and material expansion of business and such other transactions involving the Company;
- v) Change in Key Managerial Personnel;
- vi) Any other matter as may be prescribed under the Regulations and / or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and/or Corporate Laws to be price sensitive, from time to time.

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

### **3. Procedure for dissemination of Unpublished Price Sensitive Information**

3.1 All unpublished price sensitive information shall be handled on a need-to-know basis.

3.2 The Company will make prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.

3.3 The Company will make uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure. In order to ensure universal dissemination, all unpublished price sensitive information will first be communicated to the Stock Exchanges where the securities of the Company are listed before this information is released to the investors, research analysts, media or any section of the public.

3.4 The text of all communications covering unpublished price sensitive information to the Stock Exchanges shall be approved by the Chief Executive Officer or Chief Financial Officer before release.

### **4 Sharing of UPSI for legitimate purpose**

- 4.1 The UPSI can be shared only on a need-to-know basis and as per policy for determination of legitimate purpose as mentioned in Annexure 1, performance of duties or discharge of legal obligations which shall include the following:
- I. Sharing of UPSI in the ordinary course of business by any Insider, Designated Person, or by any Authorized person with existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants
  - II. Sharing of UPSI for any other genuine or reasonable purpose as may be determined by the Company
  - III. Sharing of UPSI for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time

Provided that such sharing should not be carried out to evade or circumvent the prohibitions of SEBI Insider Trading Regulations.

## 5 **ISSUE OF NOTICE TO THE RECIPIENT OF UPSI:**

- 5.1 Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered as an "insider" and due notice shall be given to such person making him aware of the duties and responsibilities attached to the receipt of such unpublished price sensitive information

## 6. **Chief Investors Relation Officer ("CIO") and other Spokespersons**

- 6.1 The CIO will deal with the dissemination and disclosure of Unpublished Price Sensitive Information. In addition to CIO, the following persons ("**Authorised Spokespersons**") are also authorized to communicate with the Investors/media in co-ordination with the CIO:

- i) Chairman & Chief Strategy Officer
- ii) Chief Executive Officer ("CEO")
- iii) Chief Financial Officer ("CFO")
- iv) Head – External Communications

For any specific event or occasion one or more Company officials (including Vertical Heads, Delivery Heads and Business Heads) may be invited to interact with investors, research analysts and representatives of the media.

- 6.2 The Company Secretary in coordination with the CIO shall disseminate / disclose the information to the stock exchanges where the Securities of the Company are listed.

## **7. Guidelines while dealing with Analysts (financial as well as industry), Investors, Customers and Media**

- 7.1 All Company spokespersons shall ensure that information shared with Analysts (financial as well as industry), Investors, Customers and Media is not unpublished price sensitive information. Only information in the public domain (i.e. information which is already provided by the Company through published financials statements, press releases or is available on the Company's web site) shall be provided. Discussion on any topic or issue or any data, which cannot be made public, shall be avoided.
- 7.2 Unanticipated questions raised by analysts, Investors and Media may be taken on record and a response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
- 7.3 In case some unpublished price sensitive information gets disclosed selectively, inadvertently or otherwise, the same shall be brought to the notice of the CIO to enable him to make such information public at the earliest.
- 7.4 No Company Official will interact with analysts, financial market participants, Investors or any media representatives unless CIO (or his authorised representative) or any other Authorised Spokesperson of the Company is also present during such interaction.
- 7.5 Inquiries received from analysts, financial market participants, Investors or any media representatives in any department (other than the Investor Relations Department and the offices of any of the Authorized Spokespersons) must be forwarded to the CIO. Under no circumstances should any attempt be made to handle these inquiries without prior authorization from the CIO or an Authorized Spokesperson.

## **8. Silent Period**

- 8.1 During the period when the Trading Window is closed before the announcement of quarterly or annual financial results, any officer of the Company shall not discuss or comment on any aspect of financial performance of the Company to any member of the media in order to avoid any inadvertent disclosure of unpublished price sensitive information on selective basis.

The Trading Window shall generally be closed from 25<sup>th</sup> of the last month of the quarter for which results are required to be announced by

the Company and shall reopen 48 (Forty-Eight) hours after the announcement of financial results by the Company.

## **9. Procedure for Conference calls and analyst meets**

- 9.1 Whenever, the company calls for a conference call, the CIO shall ensure adequate publicity of the event. A press release would be sent prior to the conference call to the stock exchanges and hosted on the Company's website covering the relevant details of the call (including Duration of the call, Number of ports, Access numbers, Reply number, Registration procedure, Contact person (for pass code), Web casting details).
- 9.2 Transcripts, Earnings presentation, Investors' presentation and the web cast with analysts and investors shall be made available on the Company's official website.

## **10. Responding to market rumours**

- 10.1 The CEO and/or the CFO shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumors and then making the disclosure. He shall give appropriate and fair response to the queries on news reports and requests for verification of market rumours by regulatory authorities.
- 10.2 As a policy, the company will consistently ignore speculative reports that appear in the press or in the electronic media. In order to protect the standing of the company, the response of the CIO, in each instance of a market rumour will be to neither affirm nor deny the rumour till such time an official position on the subject is developed in consultation with the CEO and / or the CFO. However, if a rumour or a press report is likely to impact the business of the Company in a significant manner a suitable communication responding to market rumours shall be finalised in consultation with the CEO and / or the CFO before dissemination to the Stock Exchanges and external agencies.

## **11. Miscellaneous**

- 11.1 The Company reserves all right to modify and/or amend this Code at any time.
- 11.2 The Company may form a Group comprising of senior executives to ensure compliances of policy for 'Determination of legitimate purpose' including determination of UPSI, legitimate purpose for sharing of UPSI, regular review of the policy and list of UPSI/legitimate purpose.

## POLICY FOR DETERMINATION OF LEGITIMATE PURPOSE FOR UPSI

1. **Preamble:** The Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 ("PIT Amendment Regulations") has mandated every listed Company to formulate "Policy for Determination of Legitimate Purpose" hereinafter referred to as the "Policy", as apart of Fair Disclosure Code and is effective from 1st April 2019.
2. **Objective:** The objective of this policy is to identify 'Legitimate Purposes' for performance of duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring unpublished price sensitive information (UPSI) relating to the Company or its listed securities.
3. **Meaning of Legitimate Purpose:** "Legitimate Purpose" shall mean any purpose for which UPSI has been shared in the ordinary course of business or in the interest of the Company, on a need to-know basis. In this policy, the term "Legitimate Purpose" shall, inter alia, include:
  - Sharing of UPSI on need to know basis by an Insider with its partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants
  - Sharing of UPSI for any other genuine or reasonable purpose as may be determined by the Company
  - Sharing of UPSI for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time

Provided that such sharing has not been carried out to evade or circumvent the prohibitions of the SEBI Insider Trading Regulations.

### Illustrative list of Legitimate Purposes

In following cases, the sharing of UPSI would be considered as having been shared for a Legitimate Purpose:

- a) Under any proceedings or pursuant to any order of courts or tribunals,
- b) For investigation, inquiry or request for information by statutory or governmental authorities or any other administrative body recognized by law,
- c) In compliance with applicable laws, regulations, rules and requirements,
- d) Arising out of any contractual obligations entered by the Company set forth in any contract, agreement, arrangement, settlement, understanding or undertaking,



- e) Sharing the information with intermediaries and fiduciaries such as Auditors, Merchant Bankers, Management Consultants, Partners, Collaborators or Other Advisors or Consultants,
  - f) Sharing information with Statutory Auditors, Secretarial Auditors, Internal Auditors or Cost Auditors while obtaining any certificate required for placing any transaction for approval before the Board.
  - g) Sharing the relevant UPSI by Company or Promoters with business partners essential to fulfill the terms and conditions of a business contract with a client, vendor
4. **Sharing Of UPSI For Legitimate Purpose:** UPSI shall be communicated only when needed for legitimate purpose, performance of duties or discharge of legal obligations. All insiders shall adhere to the conditions of strict confidentiality and shall not share any UPSI except for the aforesaid purpose.
5. **Process for sharing UPSI:** The Insider should conduct the following steps while sharing UPSI:
- a) Satisfy that information is UPSI and that sharing of UPSI is for legitimate purposes only;
  - b) Identify the persons and organizations with whom the information is to be shared and establish the narrowest possible group of recipients;
  - c) Notify the recipients that the information that is being shared is UPSI and they should maintain confidentiality of the same in compliance with these regulations and enter into a confidentiality/non-disclosure agreement with them for the same.
  - d) Mode of sharing UPSI shall be either by an email or hard copy or any other electronic mode or device with acknowledgement.
  - e) Ensure that such details including but not limited to name of such person or entities, as the case may be, with whom UPSI is shared along with the PAN (or any other identifier authorized by law where PAN is not available), is maintained in a digital database. This database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database and non-leakage of UPSI.
6. **Policy review:** The Policy shall be reviewed periodically in accordance with review of internal controls as well as changes or any regulatory requirements from time to time. In the events of inconsistency of this Policy with any legal provisions, the provisions of the law shall override this Policy.
7. **Amendment:** The Company reserves all right to modify and/or amend this Code at any time.