

STOVEC INDUSTRIES LIMITED



STOVEC

STOVEC INDUSTRIES LIMITED

CODE OF CONDUCT FOR REGULATING,
MONITORING AND REPORTING OF TRADING BY INSIDERS AND CODE
OF CONDUCT FOR FAIR DISCLOSURES

Version 8

CHAPTER I DEFINITIONS

1.1 "Act" means the Securities and Exchange Board of India Act, 1992.

1.2 "Board" means the Board of Directors of the Company.

1.3 "Code" or "Code of Conduct" shall mean the Code of Conduct for Regulating, Monitoring and Reporting of trading by insiders of Stovec Industries Limited and Code of Conduct for Fair Disclosures, as amended from time to time.

1.4 "Company" means Stovec Industries Limited.

1.5 "Compliance Officer" means a Company Secretary and in his absence any other Senior Officer of the Company appointed by the Board of Directors from time to time for the purpose of this Code in pursuance of this Regulation.

1.6 "Connected Person" means:

- i) any person who is or has during the six months prior to the concerned act been associated with a company, 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 Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allow such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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 shall be deemed to be connected persons unless the contrary is established,
 - a) a relative of connected persons specified in clause (i); or
 - b) A Holding Company or Associate Company 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 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 recognized or authorized by the Board; or

- i) A banker of the Company; or
- j) A concern, firm, trust, Hindu undivided family, Company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten percent, of the holding or interest.
- k) a firm or its partner or its employee in which a connected person specified in sub-clause (i) of clause 1.6 is also a partner; or
- l) a person sharing household or residence with a connected person specified in sub-clause (i) of clause 1.6

1.7 "Dealing in Securities" means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.

1.8 Designated Employee(s) shall include:

- (i) Every employee in the grade of Managers and above;
- (ii) Every employee in the finance, accounts, secretarial and legal department as may be determined and informed by the Compliance Officer; and
- (iii) Any other employee who in the view of Compliance Officer be covered in the "designated employee".

1.9 "Director" means a member of the Board of Directors of the Company.

1.10 "Generally available Information" means information that is accessible to the public on a non-discriminatory basis.

1.11 "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.

1.12 "Insider" means any person who is, (i) a connected person; or (ii) in possession of or having access to unpublished price sensitive information.

1.13 "Key Managerial Person" means person as defined in Section 2 (51) of the Companies Act, 2013.

1.14 "Promoter" 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.

1.15 "relative" shall mean the following:

- i) spouse of the person;
- ii) parent of the person and parent of its spouse;
- iii) sibling of the person and sibling of its spouse;
- iv) child of the person and child of its spouse;
- v) spouse of the person listed at sub-clause iii); and
- vi) spouse of the person listed at sub-clause iv)

- 1.16 **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund.
- 1.17 **"SEBI"** means Securities and Exchange Board of India.
- 1.18 **"Takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- 1.19 **"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.
- 1.20 **"Trading Day"** means a day on which the recognized stock exchanges are open for trading.
- 1.21 **"Listing Regulations"** shall mean the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- 1.22 **"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, delisting, disposals and expansion of business, award or termination of order/contracts not in the normal course of business and such other transactions
 - v) Changes in key managerial personnel, other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;
 - vi) change in rating(s), other than ESG rating(s);
 - vii) fund raising proposed to be undertaken;
 - viii) agreements, by whatever name called, which may impact the management or control of the company;
 - ix) 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;
 - x) resolution plan/ restructuring or one-time settlement in relation to loans/borrowings from banks/financial institutions;
 - xi) 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;

- xii) 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;
- xiii) 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;
- xiv) outcome of any litigation(s) or dispute(s) which may have an impact on the company;
- xv) 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;
- xvi) granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals
- xvii) Any other information which may be considered as UPSI by CFO in consultation with MD of the Company which may or may not be material in nature for the Company.

1.23 “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 regulation.

1.24 “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 during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

1.25 “Regulation” shall mean the SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

1.26 “Specified Persons” means the Promoters and Promoters Group, Directors, Designated Employees and their immediate relatives are collectively referred to as Specified Persons.

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 there under shall have the meanings respectively assigned to them in those legislation.

CHAPTER II
CONFIDENTIALITY & COMMUNICATION OF UNPUBLISHED PRICE SENSITIVE
INFORMATION

2 Compliance Officer

- 2.1 The Compliance Officer 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 the Code of Conduct under the overall supervision of the Board of Directors.
- 2.2 The Compliance Officer shall provide any clarifications with regard to the implementation of this Code.

3 Preservation of “Unpublished Price Sensitive Information or UPSI”

- 3.1 All Specified Person(s) shall maintain the confidentiality of price sensitive information. All information shall be handled within the organization on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person by the Insider except in furtherance of the legitimate purposes, performance of duties or discharge of legal obligations.
- 3.2 No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company 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.
- 3.3 No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 3.4 Notwithstanding anything contained in the Code, an unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:-
- (i) Entail an obligation to make an open offer under the Takeover regulations where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the company;
 - (ii) Not attract the obligation to make an open offer under the Takeover regulations but where the Board of Directors of the Company is of informed opinion that the sharing of such information is in the best interests of the company 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.

- 3.5 For the purpose of the above clause, the parties 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, except for the purpose of Clause 3.4 and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.
- 3.6 For the purpose of prompt public disclosure of UPSI, the Company also adopts the Code regarding practice & procedure for Fair Disclosure set out as **Annexure-1**.
- 3.7 **Information on a need to know basis & Chinese Wall procedures**

All information shall be handled within the organization on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the legitimate purposes, performance of duties or discharge of legal obligations.

Norms for appropriate Chinese Walls procedures & processes will be as under –

- i. To prevent the misuse of confidential information, the Company shall separate those areas of the Company which routinely have access to confidential information, considered “inside areas” from those areas which deal with sales/marketing or other departments providing support services, considered “public areas”.
- ii. The employees in the inside area shall not communicate any price sensitive information to any one in public area.
- iii. In exceptional circumstances employees from the public areas may be brought “over the wall” and given confidential information on the basis of “need to know” criteria, under intimation to the Compliance Officer.

CHAPTER III TRADING RESTRICTIONS

No insider shall trade in securities of the Company 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.

4 Prohibition on forward dealings in securities by Director or KMP

No Director/ Key Managerial Personnel of the company shall buy in the company 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.

5 Trading Window

5.1 The Trading Window shall be closed for 7 days prior to and during the time the UPSI is published.

Subject to the provision of the Regulation, if the circumstances so warrant, the time for closing the trading window may be increased or decreased by the Compliance Officer in consultation with Managing Director of the Company.

In the event of financial results, the trading window shall remain closed from the end of every quarter till 48 hours after the declaration of financial results.

5.2 The Trading Window shall be inter-alia closed for UPSI as defined hereinabove when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information.

5.3 The trading window closed as per Clause 5.1 shall be opened 48 hours after the information is published and becomes generally available.

5.4 Specified Persons shall conduct all their trading in the securities of the company only in a valid trading window and shall not trade in company's securities during the periods when trading window is closed or during any other period as may be specified by the Company from time to time.

5.5 The trading window restrictions shall also be applicable to any person having contractual or fiduciary relation with the company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the company.

5.6 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.

6 Pre-clearance of Trades

- 6.1. Specified Persons who intend to trade in the securities of the company when the trading window is open and if the value of the proposed trade is above Rs. 10 lakhs in value (market value), should **pre-clear** the transactions as per the pre-trading procedure as described hereunder.
- 6.2. An application for Pre-clearance shall be made in prescribed Form '**PC-1**' indicating the estimated number of securities that the Specified Persons 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 Company in this behalf.

The authority for Pre-clearance of trade shall be as under:

Trading by Specified Persons (i.e. Promoters, Directors, Designated Employees and their immediate relatives)	Authority for Pre-clearance
Promoters/Directors (Other than Managing Director)	Managing Director and Compliance Officer
Managing Director	Chairman and Compliance Officer
Compliance Officer	Managing Director
Designated Employees	Compliance Officer

- 6.3. Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations from the applicant to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information.
- 6.4. Specified Persons shall execute their order in respect of securities of the company within seven trading days after the approval of pre-clearance is given. If the order is not executed within the aforementioned specified period, the Specified Persons must pre-clear the transaction again.
- 6.5. In case the Specified Persons decides not to execute the trade after securing pre-clearance, he/ she shall inform the Compliance Officer of such decision immediately.
- 6.6. No Specified Persons shall apply for pre-clearance of any proposed trade when the trading window is closed or if he/ she is in possession of unpublished price sensitive information.
- 6.7. It shall be the responsibility of Specified Persons to ensure compliance of Clauses 6.1 to 6.6 above in case of their immediate relatives also.
- 6.8. Specified Persons who intends to trade in the securities of the Company shall inform to the Managing Director and/or Compliance Officer of the Company, as the case may be,

at least two trading days prior to such trading the details of the intended trading in Form – CD 2 (in case of transaction at or below threshold i.e. Rs. 10 Lakhs) and in Form PC-1 (In case of transaction required Pre-Clearance). The Specified Persons shall also inform to the Managing Director and/or Compliance Officer, as the case may be, regarding details of actual trading within 2 trading days of executing the trade in securities of the Company in Form-C (in case of Pre-cleared transactions) and in Form – CD 2 (in case of transaction at or below threshold i.e. Rs. 10 Lakhs).

Note: The specified persons shall take into account their all transactions, to determine whether the value of securities proposed to be trade, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of 10 (Ten) lakh rupees or such higher value as may be prescribed from time to time, in order to determine pre-clearance requirement for their transaction in securities of the Company.

- 6.9. All Specified Persons who buy or sell any number of shares of the company shall not execute a contra trade i.e. sell or buy any number of shares during the next six months following the prior transaction.
- 6.10. 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.
- 6.11. 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 administered by SEBI under the Act.

7 Trading Plans

- 7.1. 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.
- 7.2. Such trading plan shall:-
- A. not entail commencement of trading on behalf of the insider earlier than one hundred and twenty calendar days from the public disclosure of the plan;
 - B. not entail overlap of any period for which another trading plan is already in existence;
 - C. set out following parameters for each trade to be executed:
 - i. either the value of trade to be effected or the number of securities to be traded;
 - ii. nature of the trade;
 - iii. either specific date or time period not exceeding five consecutive trading days;
 - iv. price limit, that is an upper price limit for a buy trade and a lower price limit for a sell trade, subject to the range as specified below:

- a. for a buy trade: the upper price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent higher than such closing price;
- b. for a sell trade: the lower price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent lower than such closing price.

Explanation:

- i) While the parameters in sub-clauses (i), (ii) and (iii) be mandatorily mentioned for each trade, the parameter in sub-clause (iv) shall be optional
- ii) The price limit in sub-clause (iv) shall be rounded off to the nearest numeral.
- iii) Insider may make adjustments, with the approval of the compliance officer, in the number of securities and price limit in the event of corporate actions related to bonus issue and stock split occurring after the approval of trading plan and the same shall be notified on the stock exchanges on which securities are listed.

D. 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 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. Further, the trading window norms shall not be applicable for trades carried out in accordance with an approved trading plan.

7.4. The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled to either execute any trade in the securities outside the scope of the trading plan or to deviate from it except due to permanent incapacity or bankruptcy or operation of law.

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.

Provided further that if the insider has set a price limit for a trade as per above clause 7.2 (C)(iv), the insider shall execute the trade only if the execution price of the security is within such limit. If price of the security is outside the price limit set by the insider, the trade shall not be executed.

Explanation: In case of non-implementation (full/partial) of trading plan due to either reasons enumerated in clause 7.4 or failure of execution of trade due to inadequate liquidity in the scrip, the following procedure shall be adopted:

- i) The insider shall intimate non-implementation (full/partial) of trading plan to the compliance officer within two trading days of end of tenure of the trading plan with reasons thereof and supporting documents, if any.
- ii) Upon receipt of information from the insider, the compliance officer, shall place such information along with his recommendation to accept or reject the

submissions of the insider, before the Audit Committee in the immediate next meeting. The Audit Committee shall decide whether such non-implementation (full/partial) was bona fide or not.

- iii) The decision of the Audit Committee shall be notified by the compliance officer on the same day to the stock exchanges on which the securities are listed.
- iv) In case the Audit Committee does not accept the submissions made by the insider, then the compliance officer shall take action as per the Code of Conduct.

7.5. The compliance officer shall approve or reject the trading plan within two trading days of receipt of the trading plan and notify the approved plan to the stock exchanges on which the securities are listed, on the day of approval.

7.6. Pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.

7.7. Restrictions on contra trade shall be applicable on approved trading plans.

CHAPTER IV

8 STRUCTURED DIGITAL DATABASE AND INSTITUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING

8.1. The structured digital database shall be maintained containing the names of such persons or entities as the case may be with whom information is shared under the regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

8.2. Specified Persons shall be required to disclose to the company on an annual basis and as and when the information changes; the names and Permanent Account Number or any other identifier authorized by law of the immediate relatives, persons with whom such designated employee(s) shares a material financial relationship, phone, mobile, cell numbers which are used by them.

8.3. Designated employee(s) shall be required to disclose the names of educational institutions from which they have graduated and names of their past employers on a one time basis.

8.4. Institutional Mechanism for Prevention of Insider Trading

The internal controls for prevention of Insider Trading shall include the following:

(a) all employees who have access to unpublished price sensitive information are identified as designated employee;

(b) all the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of the regulations;

(c) adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by the 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 the regulations shall be complied with;

(f) periodic process review to evaluate effectiveness of such internal controls.

8.5. The Audit Committee of a Company shall review compliance with the provisions of the regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

8.6. If any employee become aware of leak of unpublished price sensitive information, the employee can report such instance by filing Protected Disclosure Form under Whistle Blower Policy of the Company.

8.7. In case of sensitive transactions, the Compliance Officer shall in consultation with Managing Director determine the names of the persons who will have access to Unpublished Price Sensitive information on sensitive transaction and brought those individual(s)/entity(ies) under the ambit of this code of conduct. Such individual(s)/entity (ies) shall be given the copy of this code of conduct to understand their duties and responsibilities attached to the receipt of inside information, and the liability that attaches to misuse or unwarranted use of such information.

CHAPTER IV

9 REPORTING AND DISCLOSURE REQUIREMENTS

9.1. Disclosure Requirements

Initial Disclosures

Initial Disclosures By Whom	What to be disclosed	When to be disclosed	Form/Annexure(s)
Promoter or Member of the Promoter Group/ Director/ KMP to the Compliance Officer	Holding of securities of the Company as on the date of this Code taking effect i.e. 15.05.2015	Within thirty days of this Code taking effect	Discontinued from April 26, 2021
Promoter or Member of the Promoter Group / Director/ KMP/Designated Employee to the Compliance Officer	Holding of securities of the Company as on date of appointment or becoming Promoter/Director/ KMP / Designated Employee	Within seven days of such appointment or of becoming Promoter/Director/ KMP / Designated Employee	Form-B

Continual Disclosures

By Whom	What to be disclosed	When to be disclosed	Form
Promoter or Member of the Promoter Group / Director/ Designated Employee to the Compliance Officer	Number of such securities acquired or disposed	<p>Within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10 lakh in value or such other value as may be specified, from time to time.</p> <p>*disclosure of incremental transactions shall be made when transactions effected after the prior disclosure cross the threshold specified above</p>	Form-C

Company	Details of above continual disclosure in Form-C to Stock Exchange where the securities of the Company are listed.	Within two trading days of receipt of disclosure or becoming aware of such disclosure.	-
By Promoter or Member of the Promoter Group /Director/ Designated Employees to the Compliance Officer	Holding of securities as on end of the financial year	Within 30 days of the end of every financial year.	Form-CD 1
By Promoter or Member of the Promoter Group /Director/ Designated Employees to the Compliance Officer	Trading in the securities of the Company at or below the threshold limit (i.e. Rs. 10 Lakhs)	2 trading days prior to trading and within 2 trading days after the trading.	Form-CD 2

9.2. The disclosures to be made by any person under clause 9.1 shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions. The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purpose of clause 9.1.

9.3. The Compliance Officer shall maintain records of all the disclosures/ declarations/undertakings/ forms as mentioned in this Code, as received from time to time, for a period of five years.

9.4. The Compliance Officer shall report to the Board of Directors for the purpose of the Code and in particular, shall provide reports to the Chairman of the Audit Committee and to the Chairman of the Board annually.

CHAPTER V MISCELLANEOUS

10 Protection against retaliation and victimization

10.1 Any Individual being an employee who has reasonable belief that violation of insider trading laws has occurred, is occurring or is about to occur, may report to SEBI vide

Voluntary Information Disclosure Form related to such alleged violation of insider trading laws.

- 10.2 Any such employee who files voluntary Information Disclosure Form with SEBI reporting alleged violation of insider trading laws shall be protected against retaliation and victimization i.e. any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly and irrespective of whether the information is considered or rejected by SEBI.

11 Penalty for Contravention of the Code

- 11.1 All Specified Persons shall be responsible to adhere to this code. Specified Persons who trades in securities or communicates any information for trading in securities in contravention of the code of conduct may be penalized and appropriate action (including conducting inquiry as may be deem fit by the Managing Director of the Company) may be taken by the Company.
- 11.2 All Designated Employees who violate this Code of Conduct shall also be subject to disciplinary action by the company, which may include wage/salary freeze, suspension etc.
- 11.3 The action by the Company shall not preclude SEBI from taking any action in case of violation of the Regulations.
- 11.4 In case it is observed by the Company, that there has been violation of the Regulations, SEBI shall be informed by the Company.
- 11.5 This code and any amendments thereto shall be available on the website of the Company.

12 Amendment

In any circumstances, where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this policy and procedures until such time this policy is changed to conform to the new/amended law, rule, regulation or standard.

Note:

1. Originally adopted by the Board of Directors on May 7, 2015.
2. Amended version adopted by the Board of Directors on November 6, 2015.
3. Amended version adopted by the Board of Directors on February 16, 2016.
4. Amended version adopted by the Board of Directors on March 29, 2019 to be effective from April 1, 2019.
5. Amended version adopted by the Board of Directors on May 9, 2019.
6. Amended version adopted by the Board of Directors on November 5, 2019.
7. Amended version adopted by the Board of on August 12, 2024.
8. Amended version adopted by the Board of on August 12, 2025



STOVEC INDUSTRIES LIMITED

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Code of Conduct for Fair Disclosure")

The Principles of Fair Disclosure adopted by Stovec are as follows:

1. To promptly make public disclosure of unpublished price sensitive information that would impact price discovery. Such disclosures are made no sooner than credible and concrete information comes into being in order to make such information generally available.
2. To make disclosures of unpublished price sensitive information, as and when made, in a universal and uniform manner.
3. Stovec's Company Secretary serves as its Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. To promptly disseminate unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise if at all, to make such information generally available.
5. To provide appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
6. To ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
7. To publish proceedings of meetings with analysts and of other investor relations conferences on Company's website to ensure official confirmation and documentation of disclosures made therein.
8. To handle all unpublished price sensitive information on a need-to-know basis only.
9. **Policy for determination of legitimate purposes**
Unpublished Price Sensitive Information in connection with the Company or its Securities may be communicated or provided/ allowed access to, only where such

communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

The term "legitimate purpose" includes sharing of unpublished price sensitive information in the ordinary course of business with Company's collaborators, lenders including prospective lenders, customers, suppliers, merchant bankers, legal advisors, auditors, credit rating agencies, insolvency professionals or other advisors, service providers or consultants; provided that such sharing of unpublished price sensitive information has not been carried out to evade or circumvent the prohibitions of the Regulations.

Whether sharing of unpublished price sensitive information for a particular instance tantamounts to 'legitimate purpose' would entirely depend on the specific facts and circumstances of each case. Primarily, the following factors should be considered while sharing the unpublished price sensitive information:

- i) whether sharing of such unpublished price sensitive information is in the ordinary course of business of the Company;
- ii) whether sharing of such unpublished price sensitive information is in the interests of the Company or in furtherance of a genuine commercial purpose; and
- iii) whether the nature of unpublished price sensitive information being shared is commensurate to the purpose for which access is sought to be provided to the recipient.

Any person who is in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered as Insider for the purpose of Regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with the Regulations.
