

# **United Bank of India- Code of Conduct for Prohibition of Insider Trading**

[Framed under Securities & Exchange Board of India  
(Prohibition of Insider Trading) Regulation, 2015]



**UNITED BANK OF INDIA**  
Head Office, United Tower  
11, Hemanta Basu Sarani  
Kolkata – 700001

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT INSIDER TRADING UNDER  
THE SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

1. SHORT TITLE, APPLICABILITY AND COMMENCEMENT:

- a. This Code may be called as 'United Bank of India ('the Bank') Code of Conduct for Prohibition of Insider Trading" ("Code").
- b. This Code shall be applicable to all 'Directors', 'Key Managerial Personnel' and 'Designated Employees' of the Bank, the 'Insiders' and 'Connected Persons' as defined in this Code.
- c. This Code of Conduct comes into force with effect from June 23, 2015 i.e. the date it is approved by the Board of Directors of the Bank replacing the earlier "Code of Conduct for Prevention of Insider Trading in Shares of United Bank of India by its Directors & Employees."

2. DEFINITIONS:

In this Code, unless the context otherwise provides:

- a. "**Act**" means the Securities and Exchange Board of India Act, 1992, as amended from time to time and as applicable for the time being in force.
- b. "**Bank**" means UNITED BANK OF INDIA.
- c. "**Board**" means the Board of Directors of United Bank of India.
- d. "**Code**" means 'United Bank of India Code of Conduct for Prohibition of Insider Trading'
- e. "**Compliance Officer**" means the Company Secretary or such other person who may be appointed by the Board as the Compliance Officer.
- f. "**Connected Person**" means
  - i. any person who is or has during the 6 months prior to the concerned act, been associated with the Bank, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Bank or holds any position including a professional or business relationship between himself and the Bank whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
  - ii. Without prejudice to the generality of the foregoing, the persons falling within the

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following categories shall be deemed to be connected persons unless the contrary is established. -

- a) an immediate 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 a company or his immediate relative or banker of the company, has more than ten per cent of the holding or interest;

g. **Designated Employees** means

- i. All General Managers and employees in the grade Scale V and VI posted at Head Office/Corporate Office only,
- ii. All Employees in the Departments of Corporate Accounts (including Taxation), Planning, Treasury, Board Secretariat, Company Secretary, and Corporate Legal functions and
- iii. All Executive Assistants (EAs) and Personal Assistants (PAs) to the Wholetime Directors and General Managers.
- iv. Connected persons as identified by the Compliance Officer in consultation with the Board of Directors, who in their opinion can come in possession of unpublished price sensitive information based on their functional areas and propensity to generate such information

The aforesaid definition of 'Designated Employees' shall also include any employee of the Bank who is reasonably expected to have access to or could access Unpublished Price Sensitive Information of the Bank by virtue of any connection that would put them in position to access the same.

h. **Director** means member of the Board of Directors of the Bank.

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- "**Generally Available Information**" means information that is accessible to the public on a non-discriminatory basis;
- j. "**Immediate Relative**" means Spouse, parents, sibling, children who is either financially dependent on the Designated Persons/ Connected Persons or consults such person for dealing in the securities.
- k. "**Insider**" means any person who is:
- a connected person; or
  - in possession of or having access to unpublished price sensitive information;
- l. "**Insider Trading**" shall have the same meaning as mentioned in Explanation (a) to Section 195 of the Companies Act, 2013 and Rules framed there under, which presently reads as under:

*"insider trading means –*

- (i) *an act of subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell or deal in any securities by any director or key managerial personnel or any other officer of a company either as principal or agent if such director or key managerial personnel or any other officer of the company is reasonably expected to have access to any non-public price sensitive information in respect of securities of the company; or*
- (ii) *an act of counselling about procuring or communicating directly or indirectly any non-public price-sensitive information to any person."*

- m. "**Key Managerial Personnel**" means key managerial personnel as defined in section 2(51) of the Companies Act 2013.
- n. "**Officer**" means and includes Director, Secretary or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the directors are accustomed to act including an auditor of the Bank. Officers comprise the top tiers of the bank management and all employees in Accounts/ Board/ Secretarial Departments.
- o. "**Price Sensitive Information**" shall have the same meaning as mentioned in Explanation (b) to Section 195 of the Companies Act, 2013 and Rules framed there under, which presently reads as under:
- "price sensitive information" means any information which relates, directly or indirectly, to a company and which if published is likely to materially affect the price of securities of the company."*
- p. "**Promoter**" shall have meaning assigned to it under SEBI (Issue of Capital & Disclosure Requirements) Regulations 2009 or any modifications thereof;

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- q. "**SEBI**" means the Securities & Exchange Board of India;
- r. "**Securities**" shall have the meaning assigned to it under Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;
- s. "**Specified**" means specified by the Securities & Exchange Board of India in writing;
- t. "**Takeover Regulations**" means SEBI (Substantial Acquisition of Shares & Takeover Regulations) 2011 and any amendments thereto;
- u. "**The Regulations**" means SEBI (Prohibition of Insider Trading) Regulations 2015 as may be amended from time to time;
- v. "**Trading**" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly ;
- w. "**Trading day**" means a day on which the recognized stock exchanges are open for trading;
- x. "**Trading Plan**" means the Trading Plans as described in Regulation 5 of the Regulations;
- y. "**Trading in Securities**" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities and trade shall be construed accordingly;
- z. "**Trading Window**" means a period to be specified by the Bank in which trading of securities can be done by the Directors, Key Managerial Personnel and Designated Employees either directly or through their Dependants or Relatives.
- aa. "**Unpublished Price Sensitive Information**" means any information, relating to a company/ Bank/body corporate 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 and such other transactions
  - V. changes in key managerial personnel; and
  - VI. material events in accordance with the listing agreement which includes:-
    - i. Change in the general character or nature of business;
    - ii. Disruption of operations due to natural calamity.
    - iii. Commencement of Commercial Production/Commercial Operations
    - iv. Developments with respect to pricing/realization arising out of change in the regulatory framework.

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- v. Litigation/dispute with a material impact
- vi. Revision in Ratings
- vii. Any other information having bearing on the operation/performance of the company/body corporate as well as price sensitive information, which shall include but not be restricted to:
  - Issue of any class of securities.
  - Acquisition, merger, de-merger, amalgamation, restructuring, scheme of arrangement, spin off or selling divisions of the Bank, etc.
  - Change in market lot of the Bank's shares, sub-division of equity shares.
  - Voluntary delisting by the Bank from the stock exchange(s).
  - Forfeiture of shares.
  - Any action, which will result in alteration in, the terms regarding redemption/cancellation/retirement in whole or in part of any securities issued by the Bank.
  - Information regarding opening, closing of status of ADR, GDR, or any other class of securities to be issued
  - Cancellation of dividend/rights/bonus, etc

Words and phrases not specifically defined herein but defined in SEBI (Prohibition of Insider Trading) Regulations 2015, SEBI Act 1992, Securities Contract (Regulation) Act 1956, Depositories Act 1996, Companies Act 2013 and rules and regulations framed thereunder or under such other Acts, Rules, Regulations, shall have the meaning respectively assigned to them in those legislations.

### 3. ROLE OF THE COMPLIANCE OFFICER

- a. The Compliance Officer shall report to the Board of Directors of the Bank and shall provide reports on compliances of the SEBI (Prohibition of Insider Trading) Regulations, 2015 to the Chairman of the Audit Committee. The Reports shall be submitted to the Chairman of the Audit Committee at every quarterly meeting of the Committee.
- b. The Compliance Officer shall, within 7 days of coming to know of any contravention of the Code or Regulations, immediately bring the same to the Notice of the Chairman of the Audit Committee and also notify SEBI/ Stock Exchanges about the contravention.
- c. The Compliance Officer shall grant pre-clearance in Form no.6 after seeking such information as he may consider necessary in Form no.5, ensuring that the applicant is not in possession of Unpublished Price Sensitive Information, confirming that the request for trade is in accordance with the Trading Plan submitted by the applicant earlier, confirming that the applicant has not done any prior contra trade within the previous period of 6 months and ensuring that the declaration, if any, made at the time of seeking pre-clearance is correct;
- d. The Compliance Officer shall provide clarifications sought under the SEBI (Prohibition of Insider Trading) Regulations, 2015 to all concerned, to the extent possible.

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- e. The Compliance Officer shall preserve the disclosures received and submitted to the Stock Exchanges concerned for a minimum period of five years.
- f. Discharge such other duties, functions and responsibilities as may be assigned under these Code.

### 4. TRADING WINDOW

- a. All designated persons shall deal in the equity shares of the Bank only when the trading window is open. Designated Persons or immediate relatives of the designated persons shall not deal in equity shares of the Bank when the Trading Window is closed. It is the duty of the Designated Persons to inform their immediate relatives the closure of Trading Window and ensure that they do not deal in the equity shares of the Bank.
- b. The Compliance Officer or Company Secretary of the Bank should announce closure of Trading Window when any of the following events occur:
  - (i) Declaration of Financial Results;
  - (ii) Recommendation/ Declaration of Dividends
  - (iii) Change in Capital Structure
  - (iv) Merger, De-merger, acquisition, de-listing, disposals and expansions of business;
  - (v) Material events in accordance with the Listing Agreement with the Stock Exchanges; and
  - (vi) such other transactions;
- c. The Trading Window shall remain closed during the following periods:
  - (i) From the twentieth day prior to the last day of any financial period for which financial results of the Bank are required to be announced till 48 hours after the disclosure of such financial results;
  - (ii) From the twentieth day prior to the date of the Board Meeting up to 48 hours after the date of the Board meeting at which proposal on any matter which has a bearing on the price of the equity shares of the Bank is considered and the same becomes generally available information.
- d. The Compliance officer will communicate to the Designated Persons about closure and opening of Trading Window through such approved mode of communication as mentioned in (f) hereunder;
- e. The Trading Window to deal in equity shares of the Bank shall also be applicable to any person having contractual or fiduciary relation with the Bank, e.g., auditors, law firms, analysts, consultants, etc., assisting or advising the Bank.
- f. The information about closure of trading window shall be posted on Bank's Website, circulated as internal circular and informed to the Stock Exchanges on which Bank's securities are listed for dissemination. The Bank/ Company Secretary/ Compliance Officer shall not be responsible for communication of the details of Trading Window

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Closure/Opening to those concerned.

### 5. RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

- a. No Insider shall communicate, provide or allow access to any Unpublished Price Sensitive Information relating to the Bank or its Equity Shares to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- b. No person shall procure from or cause the communication by any insider of unpublished price sensitive information 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.
- c. 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 Bank is of informed opinion that the proposed transaction is in the best interests of the Bank;
  - (ii) not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Bank is of informed opinion that the proposed transaction is in the best interests of the Bank 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.
- d. For the purpose of sub-code 5.c., the Board of Directors shall require the parties to execute agreements as per Form – 8 to contract confidentiality as non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of sub-code 5.c., and shall not otherwise trade in securities of the Bank when in possession of unpublished price sensitive information.

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

- a. No insider shall trade in securities of the Bank that are listed or proposed to be listed on a Stock Exchange when in possession of unpublished price sensitive information;

Provided that the insider may prove his innocence by demonstrating the circumstances including the following –

- (i) The transaction is an off-market inter-se transfer between promoters who were in possession of the same unpublished price sensitive information without being in breach of Code 5 and both parties had made a conscious and informed trade decisions;

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- (ii) In the case of non-individual insiders –
- (a) The individuals who were in possession of the such unpublished price sensitive information were different from the individuals taking trading decisions and such decision making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and
  - (b) Appropriate and adequate arrangements were in place to ensure that these codes are not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to individuals taking the trading decisions and there is no evidence of such arrangements having been breached.
  - (c) The trades were pursuant to a trading plan set up in accordance with Code 9.
- b. In the case of connected persons the onus of establishing that they were not in possession of unpublished price sensitive information shall be on such connected persons and in other cases the onus would be on Board;
- c. The board may specify such standards and requirements from time to time as it may deem necessary for the purpose of these codes;

### 7. "CHINESE WALL" PROCEDURE

- a. To prevent the misuse of confidential information the Bank shall adopt the "Chinese Wall" policy which separates those areas of the functions which routinely have access to confidential information, considered "inside areas" from those areas which deal with branch banking/ sale/ marketing/investment advice or other departments providing support services, considered "public areas".
- b. The employees in the inside area shall not communicate any Price Sensitive Information to anyone in public area. The employees in inside area may be physically segregated from employees in public area.
- c. 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.

### 8. TRADING IN EQUITY SHARES BY DESIGNATED EMPLOYEES/ CONNECTED PERSONS (Together referred to as Designated Persons or DP):

- a. The Designated Persons may trade in equity shares of the Bank subject to compliance of the following procedure:

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