AU SMALL FINANCE BANK
A SCHEDULED COMMERCIAL BANK

Ref. No.: AUSFB/SEC/2023-24/211
Date: October 28, 2023

To,

National Stock Exchange of India Ltd.	BSE Limited
Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra.	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001, Maharashtra.
NSE Symbol: AUBANK	**Scrip Code: 540611, 958400, 974093, 974094 & 974095**

Dear Sir/Madam,

Sub: Amendment in the Code of Fair Disclosure and Conduct and Policy for determination and sharing of information for legitimate purpose

Ref: Regulation 8 (2) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations")

It is hereby informed that the Board of Directors of the Bank at its Meeting held on October 28, 2023 has inter-alia, considered and approved amendment in the Bank's code of fair disclosure and conduct and policy for determination and sharing of information for legitimate purpose ("the Code").

The said Code is annexed herewith and may also be accessed on the website of the Bank at the following link: https://www.aubank.in/investors/secretarial-policies.

This is for your information and records.

Thanking You,

Yours faithfully,
For AU SMALL FINANCE BANK LIMITED

Manmohan Parnami
Digitally signed by Manmohan Parnami
Date: 2023.10.28 15:37:57 +05'30'

Manmohan Parnami
Company Secretary and Compliance Officer
Membership No.: F9999
investorrelations@aubank.in

Encl: As above

AU SMALL FINANCE BANK LIMITED

(SECTION I)

CODE OF FAIR DISCLOSURE AND CONDUCT

(SECTION II)

POLICY FOR DETERMINATION AND SHARING OF INFORMATION FOR LEGITIMATE PURPOSE

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Section -I

1. BACKGROUND, OBJECT, SCOPE AND APPLICABILITY

- **Background:**

The Securities Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015, on 15th January, 2015 and amended from time to time (hereinafter referred to as the "**PIT Regulations**"), to formulate a stated framework and code for fair disclosure of Unpublished Price Sensitive Information (hereinafter referred to as the "UPSI"), events and occurrences (herein after referred to as the "**Code**") that could impact price discovery in the market for its securities.

- **Objects & Scope:**

As per the requirement of Regulation 8 of Chapter IV of the PIT Regulations.

"The board of directors of every company, whose securities are listed on a stock exchange, shall formulate and publish on its official website, a code of practices and procedures for fair disclosure of unpublished price sensitive information that it would follow in order to adhere to each of the principles set out in Schedule A to these regulations, without diluting the provisions of these regulations in any manner."

"The board of directors of every listed company shall formulate a code of conduct to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule B."

The Bank has adopted this Code of Fair Disclosure and Conduct after incorporating the relevant clauses of Regulation 8 & Schedule A and Schedule B of the PIT Regulations. The provisions of this Code must be read along with the PIT Regulations and if there is any inconsistency/contradiction between the two, the provisions of the PIT Regulations shall prevail.

- **Applicability**

This Code shall be applicable to all Designated Persons (DPs), immediate relatives of DPs and other connected persons and in relation to disclosure of UPSI by the company. The scope, exceptions as given in PIT Regulations shall be applicable for the purpose of this Code as well.

2. DEFINITIONS

I. **"Bank/Company"** means AU Small Finance Bank Limited, having its registered office at 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur India.

II. **"Chief Investor Relations Officer (CIRO)"** means the Head of Investor Relations Department of the Bank.

III. **"Compliance Officer"** for the purpose to administer the code of conduct means the Company Secretary of the Bank or any other senior level employee who shall be directed by the Board of Directors to act as such and designated as the compliance officer of the Bank and he/she shall be responsible to administer the code of conduct and other requirements under these regulations.

IV. "**Unpublished Price Sensitive Information**" **("UPSI")** means any information, relating to the 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:

a. Declaration of Financial results (quarterly, half yearly and annual);
b. Declaration of Dividends (interim and final);
c. Change in capital structure;
d. Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
e. Change in key managerial personnel;
f. Sale or disposal of any material unit(s), division(s) or subsidiary of the listed entity or any other restructuring.
g. Issuance/ reissuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
h. The decision with respect to fund raising proposed to be undertaken other than normal course of business.
i. Increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched.
j. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
k. Disclosure of divergence in the asset classification and provisioning by bank where reporting is required to Stock Exchanges as per applicable guidelines prescribed by Reserve Bank of India as may be amended from time to time.
l. Any Other information which may be considered by the Chief Investor Relations Officer ('CIRO') in consultation with Compliance Officer ('CO').

V. **"Generally Available Information"** means information that is accessible to the public on a non-discriminatory basis.

VI. "**Legitimate purpose**" shall mean sharing of UPSI in the ordinary course of business by an insider in performance of their respective obligations/duties with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, subject to the condition that such sharing has not been carried out to evade or circumvent the prohibitions of PIT regulations.

While sharing information for legitimate purpose, the insider should consider factors such as, whether the information is being shared for a bona fide business need, the commercial rationale for the sharing of information, whether the information shared is relevant to the purpose/usage of the same, etc.

VII. **"Insider"** means any person who is a connected person or in possession of or having access to UPSI.

VIII. **"Quiet/Silent Period"** shall mean the period from the close of last day of any financial period for which results are required to be announced by the Bank till the time of stock exchange filing for the earnings released by the Bank.

3. ADMINISTRATION

Principles of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information:

CIRO to deal with dissemination of information and disclosure of UPSI. The duties of the CIRO shall include, but not limited to the following:

i. Prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.

ii. Uniform and universal dissemination of UPSI to avoid selective disclosure.

iii. Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.

iv. Appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.

v. Ensuring that information shared with analysts and research personnel is not UPSI.

vi. Developing best practices in line with SEBI regulations that transcripts or records of proceedings of meetings with analysts and other investor relations conferences, wherever applicable, being made available on the official website to ensure official confirmation and documentation of disclosures made.

vii. Handling of all UPSI on a need-to-know basis.

viii. Due notice shall be given to such person in receipt of UPSI pursuant to a "**legitimate purpose**" who shall be considered an "**insider**" for purposes of PIT regulations to maintain confidentiality of such UPSI in compliance with PIT regulations.

SECTION II

4. POLICY FOR DETERMINATION AND SHARING OF INFORMATION FOR LEGITIMATE PURPOSE

The term 'legitimate purposes' includes sharing of Unpublished Price Sensitive Information (**"UPSI"**) in the ordinary course of business on a need to know basis, with Bank's collaborators, lenders including prospective lenders, customers, suppliers, merchant bankers, legal advisors, auditors, credit rating agencies, insolvency professionals, Registered Valuers or other advisors, service providers or consultants, provided that such sharing has not been carried out with a view to evade or circumvent the provisions of the SEBI (Prohibition of Insider Trading) Regulation, 2015 and amendment made therein form time to time (**"PIT Regulations"**).

5. LEGITIMATE PURPOSE

Legitimate purpose shall mean sharing of UPSI in the ordinary course of business by an insider in performance of their respective obligations/ duties subject to the condition that such sharing has not been carried out to evade or circumvent the prohibitions of PIT Regulations.

While sharing information for legitimate purpose, the insider should consider factors such as:
- whether of such UPSI is in the ordinary course of business of the Bank;
- whether sharing of such UPSI is in the interests of the Bank or in furtherance of a genuine commercial purpose; and
- whether the nature of UPSI being shared is commensurate with the purpose for which access is sought to be provided to the recipient.

Any information that may be classified as UPSI would be dealt with by the Directors and Employees of the Bank on 'Need to Know' basis only. The UPSI shall be shared only in furtherance of "legitimate purposes" which shall include the following and shall be in compliance with the PIT Regulations and the Code of Fair Disclosure and Conduct of the Bank:

- performance of duties; or
- discharge of legal obligations; or
- necessitated by any regulatory/statutory obligations / orders; or
- in the ordinary course of business by Designated Persons or authorised person with the existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants,
- for any other genuine or reasonable purpose as may be determined

6. ISSUE OF NOTICE TO THE RECIPIENT OF UPSI

Any person in receipt of UPSI pursuant to such a 'legitimate purpose' would be considered an 'insider', and due notice (through physical or electronic mode) shall be given to these 'insiders' to maintain confidentiality of such UPSI in compliance with the PIT Regulations. The event of sharing of UPSI for Legitimate Purpose with insiders shall be maintained in Structured Digital Database.

Additionally, structured digital database of recipients of UPSI shall be maintained by the Bank in compliance with the requirements of the PIT Regulations.

7. MARKET RUMOURS

The Bank shall ordinarily not comment, affirmatively or negatively, in relation to market rumours. In case stock exchange directs the Bank to make a definitive statement in response to a market rumour, the CIRO and/or the company secretary in consultation with the whole-time directors shall clarify the same to the stock exchanges. Additionally, in respect of any major market rumours, the Bank shall proactively issue appropriate and fair clarifications or responses in relation to such market rumours to the stock exchanges.

8. QUIET/SILENT PERIOD

During this period, no representative of the Bank shall engage in any formal or informal business discussions with analysts or investors.

Exceptions:

i. answers to fact-based questions via e-mail by Bank representatives to analysts and investors upon request and data in this regard can be shared with them.
ii. the Bank may continue to issue press release for public consumption and communicate with the media regarding its business, products or operations, including release or communications on historical financial information.
iii. interactions with regulated entities for Debt/Borrowings (E.g. Lending Institutions, Credit Rating Agencies etc.) are excluded from this period.
iv. in extraordinary circumstances, exceptions may occur at the Bank's discretion based on need to discuss rumors or matters already in public domain or otherwise, subject to prior approval from MD&CEO of the Bank.

9. VOLUNTARY DISCLOSURE

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Bank shall endeavor to follow the best industry practices around disclosure to Stock Exchanges of key business parameters after the end of every quarter.

10. REVIEW OF THE POLICY

The Board shall review and amend this Policy, pursuant to any amendment to the PIT Regulations or as and when deemed appropriate.