

RELAXO FOOTWEARS LIMITED
POLICY FOR PREVENTION OF INSIDER TRADING
[IN TERMS OF SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015]

1. INTRODUCTION

This **policy** aims to define and establish **RELAXO FOOTWEARS LIMITED** (herein after referred to as "the Company), position and rules with respect to :

- **Prevention** of Insider trading of securities;
- **Maintenance** of confidentiality of Price Sensitive Information; and
- **Adherence** to Securities and Exchange Board of India's ('SEBI') applicable guidelines by all Connected or Deemed Connected persons including Director, Officer and Designated Employee for prevention of Insider trading.

2. OBJECTIVE

The Company is committed to the preserving the confidentiality and preventing the **misuse of any un-published price sensitive information**. The Company is further committed to adherence to all applicable laws and regulations set forth by the Securities and Exchange Board of India ("SEBI") or the Stock Exchange with regards to prevention of Insider trading.

Trading on insider information is not only **illegal**, but also **tarnishes RELAXO FOOTWEARS LIMITED corporate credibility**. The Company is committed to ensuring transparency and fairness in dealing with all stakeholders of the Company. Any appearance of impropriety, however inadvertent, on the part of anyone connected or deemed to be connected with the Company could seriously harm the Companies reputation, besides invoking penalties and disciplinary actions from the Regulatory Authorities.

The purpose of this document is to elucidate and inform to all Connected or any Deemed Connected persons to the Company that they have a responsibility and duty to preserve the confidentiality of all price sensitive information obtained in the course of his or her day to day operations and association with the Company. No Connected or Deemed Connected person may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party. To achieve these objectives, the Company hereby notifies that this policy be followed by all Connected or Deemed Connected persons of the Company.

This Code of internal procedure and conduct for regulating, monitoring and reporting of trading by Insiders is enacted pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The object of this code is to formulate (i) a code of conduct for fair disclosure and (ii) internal code of conduct to regulate, monitor and report trading by the

Company's employees and other connected persons in terms of regulation 8 and 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 read with Schedule A and B appended thereto.

3. DEFINITIONS

Definitions of some of the key terms used in this policy are given below:

- a) **“Board”** means the Board of Directors of the Company.
- b) **“Company”** means Relaxo Footwears Limited;
- c) **“Compliance Officer”** means Company Secretary of the Company or any other senior officer, designated so from time to time, in compliance with the provisions of SEBI Insider Trading Regulations.
- d) **“Connected Persons”** means as defined under Clause 2(d) of the SEBI (Prohibition of Insider Trading) Regulations 2015.
- e) **“Designated Employees”** shall mean:
 - Officer/employee comprising the **top three tiers** of the Company management, and include **Executive Directors, Chief Executives, Senior Vice Presidents and Vice Presidents** including **Executive Secretary or Personal Assistant** attached with every such officer/employee ;
 - Manager and above in the **Finance, Accounts, Taxation, Legal Secretarial** and **Corporate Communications** departments;
 - Such employees designated and notified by the Compliance Officer from time to time with the approval of the Managing Director;
- f) **“Dealing in Securities”** means an act of subscribing, buying, selling or agreeing to subscribe, sell or deal in any securities either as principal or agent;
- g) **“Insider”** means as defined under Clause 2 (g) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- h) **“Insider Trading”** means when insiders use unpublished price sensitive information to arrive at securities trading/dealing (including buying as well as selling) decisions, the action is referred to as insider trading;
- i) **“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 talking decisions relating to trading in securities;

- j) **“Unpublished Price Sensitive Information”** as defined under Clause 2 (n) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Words and expressions not defined in these **Regulations** shall have the same meaning as contained in **SEBI** (Prohibition of Insider Trading) Regulations,.

4. POLICY FOR PREVENTION OF INSIDER TRADING

A. COMPLIANCE OFFICER

The Company has appointed the Company Secretary as the Compliance Officer who shall report to the Board of Directors of the Company on matters relating to prevention of Insider trading as specified in the policy. His duties should include the following:

- He shall be responsible for monitoring implementation of the policy under the overall supervision of the Board;
- He shall maintain a record of Designated employees and any changes made to the list of Designated employees;
- He shall assist all the employees in addressing any clarification regarding the “Company’s Policy on Prevention of Insider Trading” and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- He may in consultation with the Chairman and/or Managing Director and shall as directed by the Board, specifies prohibited period from time to time and immediately make an announcement thereof;
- He shall ensure that prohibited period is intimated to all concerned at least 24 hours before the commencement of the said period;
- He shall maintain records of all the declarations submitted in the appropriate form given by the Directors, Officers and Designated Employees;
- He shall inform all Stock Exchanges on which the securities of the Company are listed, the information received under as required and disclose to the extent, as required under SEBI and Stock Exchange rules;
- He shall place details of the dealing in the securities by Directors/Officer /Designated Employees before the Managing Director/Chief Executive Officer on quarterly basis and the accompanying documents that such persons had executed under the pre-dealing procedure as mentioned in this policy.

B. PRESERVATION OF "PRICE SENSITIVE INFORMATION"

B. MAINTENANCE OF CONFIDENTIALITY

- Insider Persons shall maintain the confidentiality of all unpublished price sensitive information;
- Such persons shall also not pass on such information to any person directly or indirectly by means such as making a recommendation for the purchase or sale of securities etc.
- Unpublished Price Sensitive Information is to be handled on a "need to know"

basis, i.e., Price Sensitive Information should be disclosed only to those within the Company who need such information to discharge their duties.

- All files, whether electronic or manual, containing confidential information shall be kept secure.

C. PROHIBITION ON DEALING, COMMUNICATION OR COUNSELING ON MATTERS RELATING TO INSIDER TRADING

No insider when in possession of unpublished price sensitive information shall:

- Either on his behalf or on behalf of any other person deal in securities on the company;
- Communicate or counsel directly or indirectly, any unpublished information to/from any person.

D. RESTRICTIONS AND PROCEDURE FOR DIRECTORS, OFFICERS AND DESIGNATED EMPLOYEES WHILE DEALING IN COMPANY SECURITIES

Directors, Officers and Designated Persons may deal in Securities subject to compliance with the Regulations and this Code.

D.1 PROHIBITION IN DEALING IN SECURITIES OTHER THAN DURING A VALID TRADING WINDOW

All Designated Persons shall conduct all their dealings in the securities of the Company only in a **valid trading window** within the **threshold limit** prescribed hereunder and shall not deal in any transactions involving the purchase or sale of the Company's securities during the period when the trading window is closed.

D.2 VALID TRADING WINDOW FOR DEALING IN SECURITIES OF THE COMPANY

- Trading window means a period other than the prohibited period;
- Prohibited period means:
 - The **period beginning with the day** when the **intimation** of the Board/Committee meeting is given to the **Stock Exchanges** to consider any price sensitive information and ending after 48 hours from the time the Price Sensitive information is made public and;
 - Such other period as may be specified by the Compliance Officer from time to time in consultation with the Chairman and/or Managing Director;

The following shall be included in the definition of price sensitive information:-

- Declaration of Financial results (quarterly, half-yearly and annual);
- Declaration of dividends (interim and final);

- Issue of securities by way of public/ rights/bonus, etc.;
- Any major expansion plans or execution of new projects;
- Amalgamation, mergers, takeovers and buy-back;
- Disposal of whole or substantially whole of the undertaking;
- Any changes in policies, plans or operations of the Company disruption of operations due to natural calamities.
- Material events in accordance with the listing agreement.

Designated Persons and 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 shall deal in the securities of the Company only when the trading window is open and shall not deal during trading window is closed

D. 3 PROCEDURES FOR DEALING IN THE SECURITIES OF THE COMPANY

D.3.1 Pre-Clearance of Trading In Securities of the Company

All Directors, Officers and Designated Employees who **intend to deal** in securities of the Company in their own name or in the name of their dependent family members (above the minimum **threshold limit**), shall obtain **pre-clearance** of the transactions as per the pre-dealing procedure as described hereunder.

However, no Designated Person shall apply for pre-clearance of any proposed trade if such person is in possession of Unpublished Price Sensitive Information even if the trading window is not closed.

D.3.2 Procedure for Pre-clearance of Trade

- An application for pre-clearance of trade shall be made in **specified format** to the Compliance Officer.
- An undertaking shall be executed in favour of the Company by such persons incorporating, inter-alia, the following clauses, as may be applicable:
 - Designated Person does not have any access or has not received "Price Sensitive Information" ;
 - He/she has access to or receives "Price Sensitive Information" 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 Company till the time such information becomes public;
 - That he or she has not contravened the "Policy for Prevention of Insider Trading" as notified by the Company from time to time; and
 - That he or she has made a full and true disclosure in the matter.

D.3.3 Threshold Limit:

The pre-clearance **shall not** be necessary, if the number of shares to be traded in a **quarter** in one or more transactions does not exceed value of Rs. 5,00,000/-.

D.3.4 Validity of Pre-clearance period

Designated 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 one week after the approval is given, he/she shall obtain pre-clearance again.

D.3.5 Restricted period

All Designated persons who buy or sell Securities shall not enter into an opposite transaction i.e. sell or buy during next six month following the prior transaction (**“Restricted Period”**). All Designated Persons shall also not take positions in derivate transaction in the Securities at any time. In case of any 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 the Board for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

D. 4 TRADING PLAN

A Designated Person or any insider is entitled to formulate a trading plan for dealing in Securities of the Company and present it to the Compliance Officer for approval and public disclosure.

Trading Plan shall:

- (a) not entail commencement of trading on behalf of the Designated Person or Insider earlier than six months from the public disclosure of the Plan;
- (b) not entail trading for the period between twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;
- (c) entail trading for a period of not less than twelve months;
- (d) not entail overlap of any period for which another trading plan is already in existence;
- (e) set out either the value of trades to be effected 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;
- (f) not entail trading in securities for market abuse.

The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of these 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.

The trading plan once approved shall be irrevocable and the insider 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 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 and in such event the commencement of the plan

shall be deferred until such Unpublished Price Sensitive Information becomes Generally Available Information.

Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

E. REPORTING AND DISCLOSURE REQUIREMENTS

E.1 Disclosures of Promoter, Directors, Key Managerial Personnel and Designated Employees

All Promoter, Directors and Key Managerial Personnel of the company are required to forward the following details of their security transaction/ holdings including the statement of dependant family members to the Compliance Officer.

(a) Initial Disclosure

Initial Disclosure to the Company shall be given about the number of shares or voting rights held by him/her/dependent family members within **7 working days** of becoming a Promoter, Directors and Key Managerial Personnel of the Company (**Form 'A'**).

(b) Change in Shareholding

Every promoter, employee and director of the Company shall disclose to the Company the number of such securities acquired or disposed of within **2 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, aggregate to a traded value in excess of Rupees ten lakh.

E.2 Disclosure by the Company to Stock Exchanges

Compliance Officer shall disclose the information received under section E-1 (b) within **2 days** of the receipt of the information to all Stock Exchanges on which securities of the Company are listed and/or as may be required by SEBI (Prohibition of Insider Trading) Regulations, 2015.

E.3 Maintenance of Records of disclosures received by the Company

The Compliance Officer shall maintain records of all the declarations in the appropriate form given by Directors, Officers and Designated Employees for a minimum period of five years.

F. INFORMATION TO SEBI IN CASE OF VIOLATION OF THE SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

In case it is observed by the Company and / or Compliance Officer that there has been a violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI/Stock Exchanges shall be informed by the Company/Compliance Officer within

7 days of their being notified of such a contravention after obtaining approval of the Managing Director/Board of Directors.

G. AMENDMENTS AND PROVISIO

This policy may be amended or modified by the Company after due consultation with the Board of Directors.

Where the position/procedures of the Company in relation to Insider Trading set forth in this policy is more rigorous than the rules framed by SEBI in relation to Insider Trading, the rules set forth in this policy shall prevail. However, nothing contained in this policy shall over-ride the expectations and requirements set forth by SEBI in relation to Insider Trading. All Connected and Deemed Connected personnel are expected to ensure that they adhere to the minimum standards set forth by SEBI in relation to Insider Trading.

H. PENALTY FOR CONTRAVENTION OF INSIDER TRADING POLICY

Any Connected or Deemed Connected person, including all Directors, Officers and Designated Employees of the Company shall adhere to the principles and rules set forth in this policy. The Company reserves the right to penalize such persons and take appropriate action in the event of any contravention of the policy.

- H.1** Any employee/director/Designated Persons who trades in securities or communicates any information for trading in securities, in contravention of the policy may be penalized and appropriate action may be taken by the Company.
- H.2** Any employee/director/Designated Persons who violate this policy shall also be subject to disciplinary action by the Company, which may include wage, salary freeze, suspension, withholding of promotions, etc.
- H.3** The action taken by the Company shall not preclude SEBI from taking any action in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

5. CODE OF FAIR DISCLOSURES

- a. The Company will make prompt public disclosure of unpublished price sensitive information in relation to the Company that would impact price discovery of the securities of the Company no sooner than credible and concrete Information comes into being in order to make such Information generally available.
- b. The Company will ensure uniform and universal dissemination of unpublished price sensitive information in relation to the Company via stock exchanges where the securities of the Company are listed and in order avoid selective disclosure.

- c. The Compliance Officer of the Company shall act as the Chief Investor Relations Officer to deal with dissemination of Information and disclosure of unpublished price sensitive information in relation to the Company.
- d. The Company will make efforts to promptly disseminate any unpublished price sensitive information in relation to the Company that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- e. The Company will endeavor to provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- f. The Company will ensure that information shared with analysts and research personnel is not unpublished price sensitive information in relation to the Company.
- g. The Company will develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the Company's website **www.relaxofootwear.com** to ensure official confirmation and documentation of disclosures made.
- h. The Company executive will handle all unpublished price sensitive information in relation to the Company on a need-to-know basis.