

POLICY FOR THE PREVENTION OF
INSIDER TRADING IN SECURITIES

PURPOSE

The purpose of this Policy is to preserve the confidentiality and prevent misuse of Unpublished Price Sensitive Information. This policy applies to Designated Employees and other Insiders of the Company who get access to the Unpublished Price Sensitive Information in the course of their work at the Company. This Policy supersedes the earlier policy of GlaxoSmithKline Consumer Healthcare Ltd. ('GSKCH' or 'the Company') on Prohibition of Insider Trading.

I OBJECTIVE

The objective of the policy is to prevent Insider Trading in securities of the Company.

Definitions:

Insider Trading means an act of subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell or deal in any securities and trade by any person either as principal or agent by any person who is connected with the Company or is deemed to be connected and who has an access to Unpublished Price Sensitive Information in respect of securities of the Company.

Insider means any person who is or was connected with the Company or is deemed to have been connected with the Company and who is reasonably expected to have access to or is in possession of or having Unpublished Price Sensitive Information in respect of securities of a Company or who has received or has had access to such Unpublished Price Sensitive Information.

Compliance Officer means any person who:

- is senior officer, designated so and reporting to the Board of Directors or head of the organization in case board is not there,
- is financially literate and is capable of appreciating requirements for legal and regulatory compliance
- shall be responsible for
 1. compliance of policies, procedures, maintenance of records,
 2. monitoring adherence to the rules for the preservation of unpublished price sensitive information,
 3. monitoring of trades and the implementation of the codes specified in this policy under the overall supervision of the Board of Directors of the listed Company or the head of an organization.

A **Connected person** means any person who:

- is a Director of the Company or
- an officer or an employee of the Company or
- holds any position involving a professional or business relationship between himself and the Company, whether temporary or permanent and who may reasonably be expected to have an access to Unpublished Price Sensitive Information in relation to the Company, directly or indirectly. Connected person shall also include any person who is a connected person 6 months prior to an act of Insider Trading.

Person is **Deemed to be a Connected person** if such person

- is a Company under the same management or group or any subsidiary Company, holding company or associate company; or
- is an intermediary, Investment Company, Trustee Company, Asset Management Company or an employee or director thereof or an official of a stock exchange or of clearing house or corporation; or
- is a merchant banker, share transfer agent, registrar to an issue, debenture trustee, broker, portfolio manager, Investment Advisor, sub- broker, Investment Company or an employee thereof; or

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- is a member of the 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 who have a fiduciary relationship with the Company; or
- is 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
- is an official or an employee of a self regulatory organisation recognised or authorised by the Board of a regulatory body; or
- is a relative of any of the Connected persons; or
- is a banker of the Company; or
- is an immediate relative of the connected person; or
- is a concern, firm, trust, Hindu Undivided Family, Company or association of persons wherein any of the connected persons mentioned in sub-clause (i) of clause (c), of this regulation or any of the persons mentioned in sub-clauses (vi), (vii) or (viii) of this clause have more than 10% of the holding or interest.

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

Designated Person for the purpose of this Policy shall include:-

- Directors - Executive and Non Executive including Chairman and Managing Director;
- Heads of the Departments (HODs), Vice President(s), General Manager(s);
- Employees in Finance, Accounts and Secretarial Department who have access to Unpublished Price Sensitive Information;
- Such other employees as may be designated by Managing Director or the CEO, as the case may be, from time to time.

Relative means a person as defined in section 2 (77) of the Companies Act, 2013.

KMP means Key Managerial Personnel designated in the Company;

Immediate relative means:

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- spouse of a person,
- parent,
- sibling,
- 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
- and includes Relative as defined in section 2 (77) of the Companies Act, 2013

Unpublished means information which is not published by the Company or its agent and is not specific in nature.

Unpublished Price Sensitive Information means any information, 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: –

- financial results;
- dividends;
- change in capital structure including issue of securities or buy back of securities
- mergers, de-mergers, acquisitions, delistings, disposals and expansion of business, execution of new projects and such other transactions;
- changes in key managerial personnel;
- disposal of the whole or substantial part of the undertaking
- any significant changes in policies, plans or operations of the Company;
- any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affects the prices of the securities of the Company

RESTRICTIONS ON COMMUNICATION/PROCUREMENT OF “UNPUBLISHED PRICE SENSITIVE INFORMATION”

(1) No Insider/Connected persons/Designated employees shall communicate, provide, or allow access to any Unpublished Price Sensitive Information, relating to a Company to any person including other insiders except where such communication is in furtherance of:

- legitimate purposes ,
- performance of duties or
- discharge of legal obligations.

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(2) No person shall procure from or cause the communication by any insider of Unpublished Price Sensitive Information, relating to a Company except in cases as stated above in point (1)

(3) An Unpublished Price Sensitive Information may be communicated, provided, allowed access to or procured, and where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the Company in connection with a transaction that:

(i) entail an obligation to make an open offer under the Takeover Regulations

(ii) do not attract the obligation to make an open offer under the Takeover Regulations but the information that constitute Unpublished Price Sensitive Information is disseminated to be made generally available at least 2 trading days prior to the proposed transaction being effected.

(4) Designated Employees shall maintain the confidentiality of all Unpublished Price Sensitive Information and shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.

(5) Unpublished Price Sensitive Information is to be handled on a "need to know" basis,

(6) Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not in any manner give rise to a conflict of interest or likelihood of misuse of the information.

(7) All non-public information directly received by any employee of the Company shall be immediately reported to the head of the department.

(8) Files containing confidential information shall be kept secure and computer files must have adequate security of login and passwords etc.

III PROHIBITION ON DEALINGS

No Insider/Connected person/Designated Employee shall:

(i) either on his own behalf or on behalf of any other person, deal/trade in a Company's securities on any Stock Exchange, when in possession of any Unpublished Price Sensitive Information.

- (ii) communicate, counsel or procure, directly or indirectly, any Unpublished Price Sensitive Information to any person who while in possession of such Unpublished Price Sensitive Information shall not deal/trade in securities.

Provided that nothing contained above shall be applicable to any communication required in the ordinary course of business, profession or under any law.

IV PREVENTION OF MISUSE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

Insiders/Connected persons/Designated Employees shall not deal in the securities of the Company during closure of the 'Trading Window' i.e. the period during which trading in the securities of the Company is prohibited.

The trading window shall remain closed for the following periods each year and other periods as may be notified from time to time:-

1. From 15th December to 15th February or until 24 hours after the Board Meeting to consider and approve the Annual audited results of the Company.
2. From 15th March to 15th May or until 24 hours after the Board Meeting to consider and approve the unaudited results for the first quarter of the Company.
3. From 15th June to 15th August or until 24 hours after the Board Meeting to consider and approve the unaudited results for the second quarter of the Company.
4. From 15th September to 15th November or until 24 hours after the Board Meeting to consider and approve the unaudited results for the third quarter of the Company.
5. From the date of circulation of the agenda for the meeting of Board of Directors, in which any material, price sensitive and unpublished event, including the following are proposed. The closure of the Trading Window for these events will be advised by the Compliance Officer appointed by the Board of Directors for the purpose of this Policy:
 - 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

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The Trading window shall open 24 hours after the close of the Board meeting at which decision in respect of the events referred in point 5 are taken.

In case of ESOPs, exercise of option may be allowed in the period when Trading Window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when Trading Window is closed.

V DISCLOSURES OF TRADING BY INSIDERS AND INTERNAL PROCEDURES

INITIAL/ ANNUAL DISCLOSURE

1. Every promoter, Insider, KMP, Director and Connected person shall disclose his/her holding of securities of the Company annually within 30 days from the close of each financial year 30th April each year. **(Annexure III)**
2. Every person on appointment as a KMP, director or Connected person of the Company or upon becoming a promoter shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter to the Company within seven days of such appointment or becoming a promoter. **(Annexure I)**

CONTINUAL DISCLOSURE

- (i) Every promoter, Designated Person and Director of the Company shall disclose to the Company the number of such securities acquired or disposed of within two working 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 ten lakh rupees or such other value as may be specified.
- (ii) The Company shall notify the particulars of such trading to the Stock Exchanges on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information. **(Annexure II)**

VI PRE CLEARANCE OF TRADES

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Designated employees who deal in the securities for more than **100** shares of the Company either in one transaction or in a series of transactions in a calendar month shall take pre – clearance of the transactions. The requirement of pre-clearance of trades shall not be required for a trade which is executed as per a trading plan approved previously by the Compliance Officer.

Procedure for pre-clearance at other times (not prohibited periods):

An application for pre clearance of trade may be made to the Compliance Officer. (**Annexure IV**)

An undertaking shall be executed by the Designated Employees. (**Annexure V**).

Designated employees shall execute their order in respect of securities of the Company *within one week* after the approval of pre-clearance is given (**Annexure VI**).

The Designated Employee shall file within 2 (two) days of the execution of the deal, the details of such deal, with the Compliance Officer in the prescribed form (**Annexure VII**). If the order is not executed within one week after the approval is given, the Designated Employee must pre clear the transaction again.

Designated employees shall hold their investments in securities for a minimum period of 30 days in order to be considered as being held for investment purposes. The holding period would commence when the securities are actually allotted.

In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the Compliance Officer after recording in writing his/her reasons in this regard. An application may be made by the Designated Employee for waiver of minimum holding period. (**Annexure VIII**).

VII WHOM TO MAKE THE REPORTING

All disclosures under this policy shall be made to the Compliance Officer (Company Secretary) appointed by the Board of Directors of the Company. The Compliance Officer shall be responsible for maintaining a record of the Designated Employees for a minimum period of 5 years and any changes made in the list of Designated Employees.

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

VIII PENALTY FOR CONTRAVENTION OF THE POLICY

- Any Insider/Connected person/Designated Employee who trades in the Securities of the Company or communicates any information for trading in securities of the Company in contravention of this Policy may be penalized and appropriate action may be taken by the Company.
- The Designated Employees of the Company who violates this Policy shall also be subject to disciplinary action by the Company which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc. The provisions of this Policy shall be deemed to have been incorporated in and form part of service rules governing the employees concerned of the Company.

The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

IX TRADING PLANS

An insider shall have the option 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 not earlier than 6 months from the public disclosure of the plan.

X Digital Database for recipient of Unpublished Price Sensitive Information

The Company Secretary shall designate the Registrar and Share Transfer Agent to maintain a structured digital database of such persons or entities who are recipients of Unpublished Price Sensitive Information, which shall contain the following information:

- **Name of the recipient of Unpublished Price Sensitive Information;**
- **Permanent Account Number of the recipient of Unpublished Price Sensitive Information; and**
- **Email id of the recipient of Unpublished Price Sensitive Information**

Such databases shall be maintained with adequate internal controls and such as time stamping and audit trails to ensure non-tampering of the database.

XI CLARIFICATIONS

For all queries concerning this Policy please contact the Compliance Officer.

XII REVIEW OF COMPLIANCES OF INSIDER TRADING POLICY AND VERIFICATION OF INTERNAL CONTROL SYSTEM

The Audit Committee of the Company shall review compliance with the provisions of Insider Trading Policy and SEBI (Prohibition of Insider Trading) Regulations at least once in a Financial Year and shall verify that the systems for internal control are adequate and are operating effectively. **(ADDED)**

XIII INTERNAL CONTROL SYSTEM

The Managing Director/ Chief Executive Officer or such other analogous person shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these code and PIT regulations to prevent insider trading. The Control system shall include the following:

- a) all employees who have access to unpublished price sensitive information are identified as designated employee and a digital database will be maintained by Registrar and Share Transfer Agent;
- b) all the unpublished price sensitive information shall be identified, and its confidentiality shall be maintained as per the requirements of these regulations;
- c) adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by these 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 these regulations shall be complied with;
- f) periodic process review to evaluate effectiveness of such internal controls.

XIV LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION

In the instance of leak of UPSI or suspected leak of UPSI by any Designated Person who has the possession of UPSI an enquiry shall be conducted by the Company in accordance with the Procedure for Conducting internal investigations.

XV CODES OF FAIR DISCLOSURE AND CONDUCT

The Board of Directors of the Company has approved, (a) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information; (b) Code of Conduct to regulate, monitor and report trading by its employees and other Connected persons towards achieving compliance.

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

The Company has formulated Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which ensures :

1. Prompt public disclosure of Unpublished Price Sensitive Information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. Uniform and universal dissemination of unpublished price sensitive Unpublished Price Sensitive Information to avoid selective disclosure.
3. Prompt dissemination of Unpublished Price Sensitive Information that gets disclosed selectively, advertently or otherwise to make such information generally available.
4. Appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
5. Information shared with analysts and research personnel is not Unpublished Price Sensitive Information.
6. Development of best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
7. Handling of all Unpublished Price Sensitive Information on a need-to-know basis.

Policy for Determination of “Legitimate Purposes”

No insider (as defined in the GSK’s Policy for Prevention of Insider Trading in Securities) 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. Further, 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.

Legitimate Purpose:

In reference to above, the Legitimate Purpose shall include:

- The Sharing of Unpublished Price Sensitive Information (“UPSI”) in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, complimentary workers, statutory auditors, secretarial auditors, bankers, vendors, insolvency professionals or other advisors or consultants; Regulations, 2015 as amended from time to time;
- Sharing of UPSI where such communication is in furtherance of performance of duty (ies);
- Sharing of UPSI for discharge of legal obligation(s); and
- Sharing of UPSI for any other genuine or reasonable purpose as may be determined by the Company Secretary of the Company.

The aforesaid sharing of information should not be done to evade or circumvent the prohibitions of the SEBI (Prohibition of Insider Trading).

Any person who receives the unpublished price sensitive information for the legitimate purpose will be considered as an “Insider” for the purpose of this Code. Such person shall receive Notice from the Company to maintain confidentiality of such information.

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS/CONNECTED PERSONS/DESIGNATED EMPLOYEES

1. All information shall be handled within the organization on a need-to-know basis.
2. Compliance Officer shall report to Board of Director and shall provide reports to the Chairman of the Audit Committee, or to the Chairman of the board of directors at such frequency as may be stipulated by the board of directors but at least once in a financial year.
3. Chinese wall procedures and processes to be followed by Designated Persons.
4. No Unpublished Price Sensitive Information shall be communicated to any person except in
 - furtherance of the insider's legitimate purposes,
 - performance of duties or
 - discharge of his legal obligations.
5. The trading window shall be closed 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, Designated Persons and their immediate relatives shall not trade in securities when the trading window is closed.
6. Compliance Officer shall determine the timings for re-opening of the trading window which shall not be earlier than 48 hours after the information become generally available taking into account various factors.
7. The trading window 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.
8. No Designated Person shall apply for pre-clearance of any proposed trade if such Designated Person is in possession of Unpublished Price Sensitive Information even if the trading window is not closed.
9. When the trading window is open, trading by Designated Persons shall be subject to preclearance by the Compliance Officer, if the value of the proposed trades is above such thresholds as the Board of Directors may stipulate.

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- 10.** The Compliance Officer shall confidentially maintain a list of such securities as a “Restricted list” which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.
- 11.** Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any Unpublished Price Sensitive Information having regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- 12.** Trades that have been pre-cleared have to be executed by the designated person within seven days, failing which fresh pre-clearance would be needed for the trades to be executed.
- 13.** A Designated Person who is permitted to trade shall not execute a contra trade for a period of atleast six months.
- 14.** Should a contra trade be executed, inadvertently or otherwise, in violation of restriction as in point 11, 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 the Board under the Act.
- 15.** In case it is observed that there has been a violation of these regulations, the Company shall inform the SEBI promptly.
- 16.** In case of contravention of the code of conduct by the persons who are required to with the comply with the same shall be penalized and appropriate action may be taken by the Company against him.