



MRF LIMITED

**MRF CODE OF PRACTICES AND PROCEDURES FOR FAIR
DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION
INCLUDING
POLICY FOR DETERMINATION OF “LEGITIMATE PURPOSES”**

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

INTRODUCTION

The Securities and Exchange Board of India (“SEBI”), in its endeavor to protect the interests of investors in general, has formulated the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”) under the powers conferred on it under the SEBI Act, 1992. These regulations came into force with effect from May 15, 2015 and the same have been made applicable to all companies whose shares are listed on Indian stock exchanges. In compliance with these Regulations, MRF Limited (“Company”) has formulated this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“Code”).

DEFINITIONS

- a. “Board” means the board of directors of the Company.
- b. “Company” means MRF Limited.
- c. “Chief Investors Relations Officer / CIRO” means the Chief Financial Officer of the Company, or any other person so designated by the Board, from time to time, who shall deal with the dissemination of information and disclosure of UPSI.
- d. “Securities” shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof and means the securities of the Company (specifically excluding units of a mutual fund).
- e. “Mainstream Media” shall include print or electronic mode of the following:
 - (a) Newspapers registered with the Registrar of Newspapers for India;
 - (b) News Channels permitted by Ministry of Information and Broadcasting under Government of India;
 - (c) Content published by the publisher of news and current affairs content as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021; and
 - (d) Newspapers or news channels or news and current affairs content similarly registered or permitted or regulated, as the case may be, in jurisdictions outside India.
- f. “Unpublished Price Sensitive Information” or “UPSI” means any information, relating to the Company or its Securities, directly or indirectly, that is not generally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 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, delistings, 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

As envisaged under the SEBI (Prohibition of Insider Trading) Regulations, 2015, a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSII) consistent with the above regulations was adopted by the Company.

The Principles of fair disclosure adopted by the Company are as follows:

1. The Company shall ensure prompt public disclosure of unpublished price sensitive information that would impact price discovery, as soon as, credible and concrete information comes into being in order to make such information generally available.
2. The Company shall make uniform and universal dissemination of unpublished price sensitive information. Selective disclosure of unpublished price sensitive information is to be avoided.
- 3.(i) Company Secretary will act as the Chief Investor Relations Officer (CIRO) to deal with dissemination of information and disclosure of unpublished price sensitive information.

- (ii) The CISO shall be responsible for ensuring that the Company complies with continuous disclosure requirements and overseeing and co-ordinating disclosure of UPSI to Stock Exchange(s) where Securities are listed.
 - (iii) Disclosure/ dissemination of UPSI may normally be approved in advance by CISO. In case of doubt, the CISO shall consult and seek approval of the Chairman/Managing Director, if necessary.
4. The Company shall promptly disseminate unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise, if at all, to make such information generally available. The CISO shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and then making the disclosure, if required. He may consult the Chairman/Managing Director, if necessary.
 5. The Company shall provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.

Upon the trigger of material price movement as specified by the Stock Exchanges, the CISO shall be responsible for deciding whether there is any reported event or information in the mainstream media, which is not general in nature and whether it indicates that rumours of an impending specific event or information is circulating amongst the investing public.

Based on the decision by the CISO, the Company shall confirm, deny or clarify such reported event or information in the mainstream media to the Stock Exchanges as required under Regulation 30(11) of the Listing Regulations

6. The Company shall ensure that information if any shared with analysts and research personnel is not unpublished price sensitive information.
7. The Company shall make transcripts or records of proceedings of meetings with analysts and other investor relations conferences and shall make them available on the official website to ensure official confirmation and documentation of disclosures made therein. The Company should be careful when dealing with Analysts' questions that raise issues outside the intended scope of discussion.
8. The Company shall ensure handling of all unpublished price sensitive information on a "need to know" basis only.
9. The Policy for determination of "Legitimate Purposes" is annexed and forms part of this Code.

POLICY FOR DETERMINATION OF “LEGITIMATE PURPOSES”

Regulation 3 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, prohibits the communication and procurement of unpublished price sensitive information, unless such communication / procurement is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

In Regulation 3(2A) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, the term “legitimate purpose” has been defined and the Board of Directors of the listed company are required as per the said regulation to make a policy for determination of “legitimate purposes” as a part of “Codes of Fair Disclosure and Conduct” formulated under Regulation 8 of Prohibition of Insider Trading) Regulations, 2015. The policy will be effective from April 1, 2019.

The sharing of Unpublished Price Sensitive Information shall be deemed to be for “Legitimate Purposes”, if the information is shared 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 these regulations.

To illustrate, procuring / sharing of information in the ordinary course of business for the purpose of consolidation of accounts would be considered as Legitimate Purposes.

Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company shall give due notices to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

Any person having unpublished price sensitive information about the company shall be prohibited from trading with the securities of the company and handle such information with care and deal with the information available with them strictly on a need to know basis and maintain confidentiality of such information.

A structured digital database shall be maintained containing the names of such persons or entities, as the case may be, with whom unpublished price sensitive information is shared under Regulation 3 along with the Permanent Account Number or any other identifier authorized by law, where Permanent Account Number is not available. Such database shall be maintained with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the database.

Any subsequent modification(s) / amendment(s) to SEBI (Prohibition of Insider Trading) Regulations, 2015, shall automatically apply to this Policy.