

## POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

### 1) Background:

The Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulation 2018 notified on December 31, 2018 require every listed Company, *inter alia*, to formulate a policy for determination of legitimate purpose. Accordingly, the Board of Directors of Swan Energy Limited (“**the Company**”) adopted this policy for determination of legitimate purpose.

This Code will be applicable from 01-04-2019.

### 2) Definition:

- i. **"Legitimate Purposes"** shall mean sharing of Unpublished Price Sensitive Information (UPSI) in the ordinary course of business with the insider, including instances provided hereunder, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations:
  - Sharing the relevant UPSI with consultant, advisors engaged by the Company in relation to the subject matter of the proposed deal/assignment/tie-up/fund raising resulting to UPSI;
  - Sharing the relevant UPSI with intermediaries/fiduciaries, merchant bankers, legal advisors, auditors, valuers, insolvency professionals, business support agents, service providers, in order to avail professional services from them in relation to the subject matter of UPSI;
  - Sharing the relevant UPSI with persons engaged or involved in the processes leading to disclosure of events set out in Schedule III to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - Sharing the relevant UPSI for advice, consultation, transaction support, intermediation and approvals in the process of evaluation of new business opportunities.
  - Sharing the relevant UPSI for statutory consolidation requirements or related customary disclosure obligations.
  - Sharing the relevant UPSI with potential customers, joint ventures partners and vendors essential to fulfill the terms and conditions of business contract.

- Sharing the relevant UPSI in case mandatory for performance of duties or discharge of legal information.

ii. **“Insider”** shall include the following persons, in receipt of UPSI pursuant to a "legitimate purpose":

- a) Partners
- b) Collaborators/ Land owner
- c) Lenders
- d) Customers
- e) Suppliers
- f) Bankers
- g) Legal Advisors
- h) Auditors (Statutory, Branch, Cost, Secretarial, GST and any other Auditor as applicable)
- i) Staff Members of the Audit firm/team conducting the Audit
- j) Insolvency Professionals
- k) Advisors or Consultants
- l) Merchant Bankers
- m) Any other advisor(s)/consultant(s)/partner(s) with whom UPSI is shared

All the other terms used in the Policy shall have the same meaning as assigned to them under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

### 3) **Restrictions:**

Till the UPSI becomes a generally available information, UPSI can be shared with Insider only on a need-to-know basis and for legitimate purpose as provided under this Policy and a due notice will be issued to the Insider to maintain confidentiality of UPSI shared for legitimate purpose.

The Board of Directors shall require the Insider(s) to execute confidentiality and/or non-disclosure agreement to keep UPSI so received confidential, and shall not otherwise trade in securities of the company when in possession of UPSI.

The Insider will obtain Company’s written consent, in case UPSI received by the Insider under this Policy is proposed to be used by the Insider for purpose other than the initial legitimate purpose for which the Company has provided UPSI.

**4) Digital Database:**

The Board of Directors shall ensure that a structured digital database (SDD) is maintained containing the names of such persons or entities, as the case may be, with whom UPSI is shared under Regulation 3 along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN 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.

**5) Amendment**

The Board of Directors of the Company, subject to applicable laws, rules & regulations, may amend /substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy.

In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

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