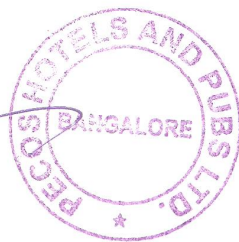




HOTELS & PUBS LTD.

PECOS HOTELS AND PUBS LIMITED

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSE



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POLICY FOR DETERMINATION OF LEGITIMATE PURPOSE

[Under Regulation 3(2A) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015]

The Company is required to share data or information with various stakeholders like organizations, agencies, institutions, intermediaries, establishments, persons, etc., in the course of its business. Such unpublished data or information, if made publicly available may materially impact the market price of the listed securities of the Company. If any person trades on the basis of unpublished price sensitive information, it could result in an undue advantage to such person. The trading in the securities of the Company by an Insider is governed by and subject to the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**Regulations**") as amended from time to time and the Code of Conduct for Prevention of Insider Trading and Code for Corporate Disclosure Practices.

Applicability

This Policy for Determination of Legitimate Purpose is applicable to all Insider(s).

Definitions

The definitions of some of the key terms used in the Policy for Determination of Legitimate Purpose are given below. Any other terms not defined herein shall have the meaning assigned to them under the Code of Conduct for Prevention of Insider Trading and Code for Corporate Disclosure Practices/Regulations.

- i) "**Connected Person**" means Connected Person as defined under Regulations and shall also include directors and key managerial personnel of the promoters.
- ii) "**Insider**" means any person who is
 - a Connected Person or
 - in possession of or having access to Unpublished Price Sensitive Information.
- iii) "**Promoter**" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.



iv) **“Unpublished Price Sensitive Information (“UPSI”)”** means any information, relating to a Company or its Securities, directly or indirectly, that is not generally available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 Securities of the Company and includes the following:

financial results;

dividends;

change in capital structure;

changes in key managerial personnel; and

such other information as determined by the Board of Directors/Chief Financial Officer/Company Secretary from time to time.

v) Legitimate Purpose

An Insider shall not share UPSI with any person including other Insider(s) except where such communication is in the ordinary course of business or on a need-to-know basis and in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. An Insider before so sharing the UPSI with any other person shall notify him/her that the information is UPSI and to maintain confidentiality of the same. Further, the Insider shall get a Confidentiality Agreement executed by the recipient of UPSI and forward the same to the Compliance Officer. Designated Persons, who are employees and Directors and bound by the terms of the Code of Conduct in their capacity as employees or Directors, respectively, need not separately execute a Confidentiality Agreement.

Legitimate Purpose shall, *inter-alia*, include sharing of UPSI on need-to-know basis by an insider with promoters, partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, etc. provided that such sharing has not been carried out to evade or circumvent the prohibitions under these Regulations.



In following cases which are illustrative in nature, sharing of UPSI would be considered as legitimate purpose:

- i. For investigation, inquiry or request for information by statutory or governmental authorities or any other administrative body recognized by law;
- ii. Under any proceedings or pursuant to any order of courts or tribunals;
- iii. As part of compliance with applicable laws, regulations, rules and requirements;
- iv. Arising out of any contractual obligations or arrangements entered by the Company set forth in any contract, agreement, arrangement, settlement, understanding or undertaking;
- v. Arising out of business requirement including requirement for the purposes of promoting business of the Company, strategies of business, statutory consolidation requirements or related customary disclosure obligations which may require sharing of UPSI with any outsider or Promoter of the Company, who in turn may share it with their Promoter(s) as well as with their advisors, consultants, intermediaries, fiduciaries, etc.

The provisions of this Policy for Determination of Legitimate Purpose have to be read along with the Regulations, as amended from time to time and in case of any inconsistency/contradiction between the two, the provisions of the Regulations shall prevail.

