

Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons

[Adopted at the Board Meeting held on 27th May, 2019]

1.0 INTRODUCTION & OBJECTIVE

- 1.1** Securities and Exchange Board of India (SEBI) has notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“**the Regulations**”) to put in place a framework for prohibition of insider trading in Securities, and to strengthen the legal framework thereof.
- 1.2** Next Mediaworks Limited (“**Company**”) has framed this ‘*Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons*’, (“**the Code**”). The Code was initially adopted by the Board of Directors the Company in its meeting held on 29th April, 2015. Consequent upon amendments in SEBI (Prohibition of Insider Trading) Regulations 2015, the Code has been modified w.e.f 1st April, 2019, which is approved by the Board of Directors of the Company in its meeting held on 27th May, 2019.

2.0 APPLICABILITY

The Code shall apply to following designated persons:

- Directors (both Whole-time and Part-time);
- Promoter(s) of the Company
- Employees/ persons designated by the management of the Company which include the following:
 - (a) All members of Leadership Team of the Company, Next Radio Limited (Subsidiary Company) (**‘NRL’**), HT Media Limited (holding company) (**‘HTML’**), Hindustan Media Ventures Limited (fellow subsidiary company) (**‘HMVL’**), Digicontent Limited (fellow subsidiary company) (**‘DCL’**) and HT Digital Streams Limited (fellow subsidiary company) (**‘HTDS’**);
 - (b) All employees upto two levels below CEO;
 - (c) Company Secretary (CS);
 - (d) All employees, irrespective of level, employed in following departments:
 - i. Legal, Taxation and Secretarial
 - ii. Accounts & Finance
 - iii. Financial Strategy & Investor Relations
 - (e) Office of the Chairperson, Chief Executive Officer & Managing Director (CEO & MD)/ Whole-time Director(s), Directors, and Chief Financial Officer (CFO);
 - (f) All employees of the Company employed in Financial Planning & Controllership Team (at HO);
 - (g) Internal Auditor and his staff;
 - (h) Following officers of NRL:
 - i. All employees upto two levels below CEO
 - ii. All employees, irrespective of the level, employed in the following

departments:

- Legal, Taxation & Secretarial
 - Finance Controllership Team
 - Financial Strategy & Investor Relations, Financial Planning & Analysis
 - Office of the MD, Whole-time Directors, CEO, CFO and CS;
- iii. Risk Management & Internal Audit function;
- iv. Key executives viz. Head – HR; Head – IT; Head - Sales; Head - Marketing; Head - Commercial; and any other departmental head;
- (i) Following officers of HTML:
- i. CEO and all employees reporting to CEO;
 - ii. Group CFO;
 - iii. Company Secretary;
 - iv. Key executives of Radio business viz. Head - Marketing and Head - HR, Group Programming Head, Regional Business Head - North, West, Chennai, Bengaluru, Hyderabad & Kolkata;
 - v. Programming Head (Radio business)
 - vi. All employees, irrespective of the level, employed in the following departments:
 - Legal, Taxation & Secretarial
 - Finance Controllership Team
 - Finance team (Radio business)
 - Financial Strategy & Investor Relations, Financial Planning & Analysis
 - Risk Management & Internal Audit function;
 - vii. Office of the Chairperson, MD, Whole-time Directors, CEO, CFO and CS;
- (j) Following officers of HMVL:
- i. CEO;
 - ii. CFO;
 - iii. All employees, irrespective of the level, employed in the following departments:
 - Legal, Taxation & Secretarial
 - Finance Controllership Team
 - Financial Strategy & Investor Relations, Financial Planning & Analysis
 - Risk Management & Internal Audit function;
- (k) All employees of DCL and HTDS employed in Legal, Taxation & Secretarial function , irrespective of the their level;
- (l) Employees of other Departments of the Company, NRL, HTML, HMVL, DCL and HTDS, who would be reasonably expected to have access to Unpublished Price Sensitive Information relating to the Company, as may be decided by Compliance Officer in consultation with CEO & MD;
- (m) All employees of IT function at Manager level and above;
- (n) Any other Connected Person (as defined herein below).

It is clarified that the Code shall apply to the above categories of persons who were covered under the Code, six months prior to an act of Insider Trading.

3.0 **DEFINITIONS**

Term	Reference
<i>Compliance Officer</i>	Company Secretary of the Company
<i>Connected Persons</i>	Connected Persons shall have the meaning as assigned in the Regulations
<i>Generally Available Information</i>	Information that is accessible to the public on a non-discriminatory basis
<i>Immediate Relatives</i>	<ul style="list-style-type: none"> ✓ Spouse of the person; and ✓ Includes parent(s), sibling(s), and child of such person or of the spouse <p><i>any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in Securities</i></p>
<i>Unpublished Price Sensitive Information (“UPSI”)</i>	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 shall, ordinarily including but not restricted to, information relating to the following: – <ul style="list-style-type: none"> (i) financial results; (ii) dividends; (iii) change in capital structure; (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and (v) changes in key managerial personnel.
<i>Securities</i>	As defined under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof, except unit of a Mutual Fund
<i>Trading</i>	Means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any Company’s Securities, and "trade" shall be construed accordingly
<i>Trading Window</i>	Designated Persons and their Immediate Relatives can engage in Trading or otherwise deal in Securities of the Company during the period when the ‘Trading Window’ is open or is not closed
<i>Trading Day</i>	A day on which the recognized stock exchanges are open for Trading

Words and expressions used and not defined in the Code shall have the same meaning assigned to them in the Regulations.

PART 'A'

RESTRICTIONS ON COMMUNICATION OF UPSI

4.0 Communication or procurement of Unpublished Price Sensitive Information

4.1 Unpublished Price Sensitive Information (“UPSI”) shall be handled on a "need to know" basis, i.e. UPSI shall be disclosed only to those persons within the Company, whose

discharge of official duties warrant such information. Further, files containing confidential information including UPSI shall be kept secure and computer files must have adequate security of log-in and password.

- 4.2** Designated Persons shall not communicate, provide, or allow access to any UPSI, relating to the Company or its Securities, to any person (including other insiders) except where such communication is in furtherance of ‘legitimate purpose’ (as defined hereinafter), performance of duties or discharge of legal obligations.
- 4.3** Designated Persons shall not procure from or cause the communication by any Insider of UPSI, relating to the Company or its Securities, except in furtherance of legitimate purpose, performance of duties or discharge of legal obligations.
- 4.4** ‘Legitimate purpose’ for sharing UPSI shall be determined basis the principles enshrined in ‘Code of Fair Disclosure of Unpublished Price Sensitive Information’.

PART ‘B’

TRADING RESTRICTIONS

- 5.1** Designated Persons and their Immediate Relatives shall not trade in Securities of the Company when in possession of UPSI.
- 5.2** Designated Persons and their Immediate Relatives cannot trade in Securities of the Company during the period when the Trading Window is closed pursuant to a notice issued by the Compliance Officer except exercise of Options granted under the Stock Option Scheme of the Company, in force from time to time. However, sale of Securities acquired upon exercise of Options shall not be allowed when Trading Window is closed.
- 5.3** If proposed trading of Securities by the Designated Persons and their Immediate Relatives exceeds the limits provided in para 5.5.1 below, pre-clearance of the transaction will be required.

54 TRADING WINDOW

- 54.1** Compliance Officer shall specify closure of the Trading Window by way of notice, during which time, trading in the Securities of the Company will not be permissible for Designated Persons and their Immediate Relatives. The notice may be given by way of e-mail addressed to the official e-mail Ids of Designated Persons or by any other permissible mode.

Normally, Trading Window will be closed on the following lines:

<i>Event</i>	<i>Trading Window closure period</i>
(a) Declaration of unaudited/audited financial results (quarterly, half-yearly and annually)	From first day of the month following the end of quarter / half-year / year (<i>i.e. from 1st July, 1st October, 1st January and 1st April, as the case may be</i>) and would be in force till 48 hours after the said financial results is made public by the Company

(b) Declaration of dividend including interim dividend	Trading Window shall be closed when the Compliance Officer determines that Designated Person(s) can reasonably be expected to have possession of Unpublished Price Sensitive Information, and would be in force not earlier than 48 hours after the information becomes generally available.
(c) Change in capital structure	
(d) Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions	
(e) Changes in Key Managerial Personnel	
(f) Any other information, which if made generally available is likely to materially affect the price of Securities of the Company	

542 Restrictions of 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.

543 Restrictions on trading in Securities of the Company when Trading Window is closed, shall not apply in respect of -

- (i) transactions specified in clauses (i) to (iv) and (vi) of the proviso to sub-regulation (1) of regulation 4 of the Regulations, and in respect of pledge of Securities for a bonafide purpose such as raising of funds, subject to pre-clearance by the Compliance Officer and compliance of the related regulations made by SEBI in this regard; and
- (ii) transactions, which are undertaken in accordance with respective regulations made by SEBI such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buyback offer, open offer, delisting offer.

55 PRE-CLEARANCE OF TRADES

55.1 Designated Persons and their Immediate Relatives who are not in possession of UPSI, are required to seek pre-clearance of transactions for Trading in Securities of the Company as per the procedure described hereunder, if the said transaction of the Securities is in excess of:

- 50,000 in number; or
- Rs. 5,00,000/- in market value; or
- 1% of total shareholding or voting right

whichever is lower, in a single transaction. A series of transactions in the same Trading Day shall be deemed to constitute a single transaction for this purpose.

It is clarified that pre-clearance of trades shall be given only during the time Trading Window is not closed.

552 The concerned person shall make application in the above respect to the Compliance Officer or in his absence to CEO & MD (hereinafter referred to as “**Authority**”).

553 The Authority will scrutinize the application within 3 (Three) Trading Days of receipt of application and communicate the approval/ refusal (alongwith reasons thereof) to the applicant. The decision of the Authority in this regard will be final. In the absence of the

Authority, the Chairperson will decide upon the pre-clearance application. Application by Compliance Officer for pre-clearance will be scrutinized by CEO & MD.

554 The pre-clearance approval shall be valid for 7 (Seven) Trading Days from the date thereof and shall lapse thereafter. If the transaction is not consummated within 7 (Seven) Trading Days from the date of approval, the applicant will be required to follow the process of pre-clearance afresh.

555 Designated Persons and their Immediate Relatives who have traded in the Securities of the Company shall not execute a contra trade during the next 6 (Six) months following the prior transaction. Compliance Officer may grant relaxation from such restriction for reasons to be recorded in writing, provided that such relaxation does not violate the Regulations. However, where a contra trade is executed, inadvertently or otherwise, in violation of such restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Education and Protection Fund.

556 Nothing contained in para 5.5.5 above, shall apply to sale of securities acquired pursuant to exercise of stock options received under any Stock Option Scheme.

6.0 TRADING PLAN

6.1 Designated Persons and their Immediate Relatives who are perpetually in possession of UPSI may formulate a Trading Plan to trade in the Securities of the Company.

6.2 The Trading Plan would enable such person(s) to execute trade(s) in the Securities of the Company at a future date irrespective of whether he possesses UPSI when a trade under the Trading Plan is actually executed.

6.3 Following conditions shall be fulfilled while formulating the Trading Plan:

a)	Trading in Securities of the Company shall not commence earlier than 6 months from the public disclosure of the Trading Plan.
b)	Trading in Securities of the Company under such Trading Plan shall not be undertaken during the period between the 20 th Trading Day prior to the last day of each quarter (i.e. 30 th June, 30 th September, 31 st December and 31 st March) for which financial results are required to be announced and the 2 nd Trading Day after the disclosure of such financial results.
c)	The Trading Plan shall be formulated for Trading for a period of not less than 12 (Twelve) months.
d)	The Trading Plan shall not entail overlap of any period for which another Trading Plan is already in existence.
e)	The Trading Plan shall set-out either: <ul style="list-style-type: none"> i. the value of trades to be effected; or ii. 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)	The Trading Plan shall not entail Trading in Securities of the Company for market abuse.

6.4 The concerned person shall make application in the above respect to the Authority alongwith a declaration that he is not in possession of UPSI, and in case he possess any such UPSI he would ensure that the trades shall not be commenced unless such information becomes Generally Available.

- 6.5** The Authority shall review the Trading Plan to assess whether the plan would have any potential for violation of the 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.
- 6.6** Upon approval of the Trading Plan, Authority shall notify the said plan to the stock exchanges where the Securities of the Company are listed.
- 6.7** Trading Plan once approved shall be irrevocable and the concerned person shall mandatorily have to implement the Plan, without being entitled to either deviate from it or to execute any trade in the Securities of the Company outside the scope of the Trading Plan.
- 6.8** Pre-clearance of trades shall not be required for a trade(s) executed as per an approved Trading Plan.
- 6.9** Trading Window norms and restrictions on Contra Trade shall not be applicable for trades carried out in accordance with an approved Trading Plan.

PART 'C'

DISCLOSURE OF TRADING

- 7.0** Following disclosures under the Code shall be made to the Compliance Officer, unless otherwise stated:

7.1 **INITIAL DISCLOSURES**

By whom and To whom	Disclosure requirement	Time period
By every Key Managerial Personnel/ Director/ Promoter/ Member of Promoter Group To the Company	Holding of Securities of the Company	Within 7 days of appointment as Key Managerial Personnel or Director/ upon becoming Promoter/ Member of Promoter Group.

All Designated Persons shall also disclose name(s) of educational institutions from where they have graduated, and their past employers, on one time basis.

7.2 **CONTINUAL DISCLOSURES**

By whom and To whom	Disclosure requirement	Time period
By Designated Persons/ Member of Promoter Group	Number of Securities of the Company acquired or disposed by the Designated Person/Member of Promoter Group, if	Within 2 Trading Days of such transaction

To the Company	<p>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 Rs. 10 Lac or such other value as may specified in the Regulations.</p> <p><i>It is clarified that the disclosure of incremental transaction(s) after any disclosure under para 7.2, shall be made when the transactions effected after the prior disclosure cross the threshold as prescribed above .</i></p>	
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- 7.3 The Company shall notify the particulars of Trading under para 7.2, to the stock exchanges on which the Securities of the Company are listed within 2 (Two) Trading Days of receipt of the disclosure or on becoming aware of such information.
- 7.4 Designated Persons shall disclose name and PAN of following persons, on annual basis or in case there is any change in the particulars, as the case may be:
- a. Immediate Relatives;
 - b. Person with whom such designated person(s) share a material financial relationship; and
 - c. Phone numbers which are used by them.

***Explanation:** The term material financial relationship shall mean a relationship in which one person is a recipient of any kind of payment such as by way of loan/ gift from a Designated Person during immediate preceding 12 (Twelve) months, equivalent to atleast 25% of such Designated Person's annual income but shall exclude relationships in which the payment is based on arm's length transactions.*

- 7.5 It is clarified that above disclosures to be made by any Designated Person under para 7.1 & 7.2 above shall include those relating to trading by such Designated Person's Immediate Relatives, and by any other person for whom such person takes Trading decisions. It is also clarified that the above disclosures of Trading in Securities of the Company shall include Trading in derivatives of Securities and the traded value of the derivatives shall be taken into account for the purposes of above disclosure, provided trading in derivatives of Securities is permitted by any law for the time being in force.
- 7.6 The Company shall maintain records of all declarations given by the Designated Persons and their Immediate Relatives for a minimum period of five years.
- 7.7 Compliance Officer shall place before the Board of Directors, and Chairman of Audit Committee, report detailing trading in the Securities of the Company by Designated Persons and their Immediate Relatives on annual basis.

8.0 PENALTY FOR NON-ADHERENCE TO THE CODE

If any non-adherence to the Code is noticed, the Board of Directors shall cause an internal enquiry to be conducted and on establishing proof of non-adherence, take appropriate action including but not limited to wage freeze, suspension etc.. In addition, non-adherence to the Code shall also be reported to SEBI.