

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

Regulation 8 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, requires every listed Company to formulate a stated framework and policy for fair disclosure of events and occurrences that would impact the price of the Company's securities in the market.

I. The principles of Fair Disclosures:

The principles of fair disclosure adopted by KAVVERI DEFENCE & WIRELESS TECHNOLOGIES LIMITED ('the Company') in pursuance of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 are as follows:

- 1) To make prompt public disclosure of unpublished price sensitive information (UPSI) that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- 2) To make disclosures of UPSI in a universal and uniform manner to avoid selective disclosure.
- 3) To promptly disseminate UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- 4) To provide appropriate and fair response to queries on news reports and requests for verification of market rumors to regulatory authorities.
- 5) To ensure that the information shared with analysts and research personnel is not UPSI.
- 6) To develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the website of the Company to ensure official confirmation and documentation of disclosures made.
- 7) Handling of all UPSI on a need-to-know basis.

II. Sharing of UPSI for legitimate purpose:

The UPSI shall be shared by any persons authorized by the Board of Directors of the Company in this behalf, only in furtherance of legitimate purposes which shall include the following;

- 1) sharing of UPSI in the ordinary course of business by any Insider, Designated Person, or by any Authorized person with existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants;
- 2) sharing of UPSI where such sharing is in part and furtherance of performance of duty, discharge of legal obligations, if any.

3) sharing of UPSI for any other genuine or reasonable purpose as may be determined by the Board of Directors of the Company.

Provided that such sharing should not be carried out to circumvent the prohibitions of SEBI (Prohibition of Insider Trading) Regulations, 2015.

III. Digital Database of sender and recipient of UPSI:

The Company shall maintain a structured digital database containing the nature of UPSI and the names of such persons who have shared the information and also the names of such persons or entities as the case may be with whom information is shared under this regulation, containing names of such persons or entities as the case may be with whom the information is shared along with Permanent Account Number (PAN) or any other identifier authorized by law, if PAN is not available.

The databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of such database. This Code and any amendment thereof will be published on the Company's website and the same shall be promptly intimated to the Stock Exchange where the securities of the Company are listed.

PROCEDURE OF INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION:

Regulation 9A of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 requires every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

Definition:

"Unpublished Price Sensitive Information" 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 the securities and shall, 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, delisting's, 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, 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.

Explanation 1- For the purpose of sub-clause (ix):

a. 'Fraud' shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003. 'Fraud' includes any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss, and shall also include—

1. a knowing misrepresentation of the truth or concealment of material fact in order that another person may act to his detriment;

2. a suggestion as to a fact which is not true by one who does not believe it to be true;
3. an active concealment of a fact by a person having knowledge or belief of the fact;
4. a promise made without any intention of performing it;
5. a representation made in a reckless and careless manner whether it be true or false;
6. any such act or omission as any other law specifically declares to be fraudulent,
7. deceptive behaviour by a person depriving another of informed consent or full participation,
8. a false statement made without reasonable ground for believing it to be true.
9. the act of an issuer of securities giving out misinformation that affects the market price of the security, resulting in investors being effectively misled even though they did not rely on the statement itself or anything derived from it other than the market price.

Nothing contained in this clause shall apply to any general comments made in good faith in regard to—

- a) the economic policy of the government
 - b) the economic situation of the country
 - c) trends in the securities market or
 - d) any other matter of a like nature whether such comments are made in public or in private;
- b. 'Default' shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Leak of UPSI" shall mean communication of UPSI by any Insider or Designated Persons or any other known or unknown person by any means or mode to any person, association, body, firm, agency, society, entity whether registered or otherwise before its official publication or announcement or formal circulation in public domain and which shall also include any purported attempt thereof without following the due process prescribed in this behalf in the Code of Practices Fair Disclosure of the Company and /or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.

"SEBI" shall mean Securities and Exchange Board of India.

Process of inquiry in case of leak of UPSI or suspected leak of UPSI:

- 1) Inquiry under this policy shall commence based on a written complaint received from any employee, department of the Company, Registrar and Share Transfer Agent, designated person, Depository, Stock Exchange, Regional Director or any official thereof, Registrar of Companies or any official thereof, regulatory / statutory authority or any other department of Central or State Government.
- 2) On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the same shall be promptly reported to the stock exchanges where the Company is listed and to SEBI under this policy.
- 3) An Enquiry Committee consisting of minimum 3 (three) Members comprising of Managing Director or Whole-time Director(s) as the case may be, Chief Executive Officer, Chief Financial Officer and Company Secretary and any other officer of the Company as may be mutually decided by Chief Executive Officer, and Chief Financial Officer of the Company shall conduct a preliminary enquiry to ascertain the truth contained in the information or complaint pertaining to actual or suspected leak of UPSI, if any;
- 4) The object of Preliminary enquiry is to find the facts based on the information or complaint pertaining to actual or suspected leak of UPSI. The Enquiry committee shall collect necessary available material in support of the allegations or authorise any person(s) as it may deem fit, to collect necessary support material or evidences and thereafter decide whether there is justification to embark any disciplinary action.
- 5) The Person(s) appointed/authorized to enquire the matter of actual or suspected leak of UPSI submit his/her report to the Enquiry Committee within 10 days from the date of his appointment on this behalf.
- 6) The Disciplinary action(s) shall include, wage freeze, suspension, recovery, etc., as may be decided by the Members of the Committee.
- 7) The Enquiry Committee shall submit its report to the Chairman of the Audit Committee, along with the details of Disciplinary action taken by it.

The Company shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision and also replace this Policy entirely with a new Policy.