



UNITED BREWERIES LIMITED

August 06, 2019

1. Department of Corporate Services,
BSE Limited,
Floor 25, P J Towers,
Dalal Street, Bandra (E),
Mumbai - 400 051
2. National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra Kurla Complex,
Mumbai - 400 001

Dear Sir/Madam,

Re: **SEBI (Prohibition of Insider Trading) (Amendment) Regulation 2018-Code of Fair Disclosure and Conduct**

We wish to inform you that pursuant to the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Board of Directors have approved and adopted the following codes effective April 1, 2019.

1. Amended "Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information". As required a "Legitimate Purpose Policy" has been adopted to form part of the above Code pursuant to Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015. As required, the said Code has also been put up on the Company's website at www.unitedbreweries.com. (Copy of Legitimate Purpose Policy is enclosed as Annexure-I)
2. Amended "Code of Conduct to Regulate, Monitor and Report Trading by Insiders", pursuant to Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015.
3. Policy for Enquiry in case of "Leak of Unpublished Price Sensitive Information". (Copy enclosed as Annexure-II)

Kindly take the above on record.

Thanking you,

Yours faithfully,
For UNITED BREWERIES LIMITED

GOVIND IYENGAR
Senior Vice President - Legal &
Company Secretary

Encl: As above



UNITED BREWERIES LIMITED

**CODE OF PRACTICES & PROCEDURES FOR FAIR DISCLOSURES OF
UNPUBLISHED PRICE SENSITIVE INFORMATION**

[Under Regulation 8(1) of the Securities and Exchange Board of India (Prohibition of
Insider Trading) Regulations, 2015]

Version - 1.1

Approved By - Board of Directors

Date - 20.05.2019

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CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

Introduction

The Securities and Exchange Board of India (“SEBI”) has notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter the/these “Regulations”) inter alia to put in place a framework for prohibition of Insider Trading in securities. The Regulations come into force with effect from May 15, 2015. The Company had formulated and adopted this Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information (hereinafter “the Code”).

On December 31, 2018, the Securities and Exchange Board of India (SEBI) issued the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (‘Amendment Regulations’) pursuant to which certain provisions of the Regulations were amended and the same came into effect from April 01, 2019.

As per Regulation 8(1) of the Amendment Regulations, United Breweries Limited (“the Company”) has adopted a revised or amended Code namely “Code of Practices & Procedures for fair disclosure of Unpublished Price Sensitive Information” (“Fair Disclosure Code”) by passing a Board Resolution on May 20th, 2019 to be line with the amendments made by SEBI on December 31, 2018.

Objective of Fair Disclosures Code

The Fair Disclosure Code is aimed to (i) ensure timely and adequate disclosure of Unpublished Price Sensitive Information (“UPSI”) (as defined below) which may have impact on the price of the Company’s Securities (as defined below) and (ii) maintain the uniformity, transparency and fairness in dealing with all stakeholders and in ensuring adherence to applicable laws and regulations. Further, the Company endeavours to preserve the confidentiality of UPSI and to prevent misuse of such information.

The Company will adhere to the following code/process so as to ensure fair disclosure of information that could have impact on the price of its securities in the market and also adhere to each of the principles set out in Schedule A to the Regulations.

1. Definitions

- 1.1.** “Act” means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- 1.2.** “Board” means Board of Directors of the Company, as constituted from time to time;
- 1.3.** “Compliance Officer” means any senior officer, designated so and reporting to the Board or head of the organization in case Board is not there, who is financially literate (means a person who has the ability to read and understand

basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows) and is capable of appreciating requirements for legal and regulatory compliance under the Regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, monitoring of trades and the implementation of the codes specified in the Regulations under the overall supervision of the Board of the Company or the head of an organisation, as the case may be;

1.4. “Connected Person” shall mean:

- (i) Any person who is or has during the six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a Director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to UPSI or is reasonably expected to allow such access.
- (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be Connected Persons unless the contrary is established-
 - (a) an immediate relative of Connected Persons specified in clause (i); or
 - (b) a Holding company or Associate company or Subsidiary company; or
 - (c) an intermediary as specified in Section 12 of the Act or an employee or Director thereof; or
 - (d) an investment company, trustee company, asset management company or an employee or director thereof; or
 - (e) an official of a Stock Exchange or of clearing house or corporation; or
 - (f) a member of board of trustee of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - (g) a member of the board of directors or an employee, of a public financial institution as defined in Section 2(72) of the Companies Act, 2013; or
 - (h) an official or an employee of a self-regulatory organization recognized or authorized by SEBI; or
 - (i) a banker of the Company; or
 - (j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a Company or his Immediate Relative (as defined below) or banker of the Company, has more than ten percent of the holding or interest.

- 1.5. **“Designated Persons”** shall mean:
- (i) All the promoters of the Company;
 - (ii) All directors of the Company;
 - (iii) Key Managerial Personnel (“KMP”) of the Company;
 - (iv) All employees of General Manager cadre and above of the Company and its subsidiaries;
 - (v) Executive Secretaries of the Directors/KMP;
 - (vi) All employees of the Finance & Accounts, Legal, Strategy and Corporate Secretarial Department of the Company and its Subsidiaries;
 - (vii) Auditors, Accountancy firms, Law firms, Analysts, Consultants etc. assisting or advising the Company and in possession of UPSI;
 - (viii) Other persons as designated by the Compliance Officer of the company in consultation with Audit Committee Chairman from time to time; and
 - (ix) Immediate Relatives or persons covered under clause (i) to (vii) above.
- 1.6. **“Generally available information”** means information that is accessible to the public on a non-discriminatory basis;
- 1.7. **“Immediate Relative”** means spouse or a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person or consults such person in taking decision relating to trading in Securities;
- 1.8. **“Insider”** means any person who is
- (i) a connected person; or
 - (ii) in possession of or having access to unpublished price sensitive information;
- It is clarified that the Insider will also include all Designated Persons;
- 1.9. **“Key Managerial Personnel (KMP)”** shall have the same meaning as defined in sub-section (51) of Section 2 of the Companies Act, 2013;
- 1.10. **“Legitimate Purpose”** shall include sharing of unpublished price sensitive information 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 the Regulations;
- 1.11. **“Proposed to be listed”** includes Securities of an unlisted company:
- (i) if such unlisted companies has filed offer documents or other documents, as the case may be, with SEBI, stock exchange(s) or registrar of companies in connection with the listing; or
 - (ii) if such unlisted company is getting listed pursuant to any merger or amalgamation and has filed a copy of such scheme of merger or amalgamation under the Companies Act, 2013.

- 1.12. "SEBI" shall mean the Securities and Exchange Board of India
- 1.13. "Securities" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;
- 1.14. "Stock Exchange" means where Securities of the Company are listed or proposed to be listed;
- 1.15. "Unpublished Price Sensitive Information ("UPSI") means any information, relating to the Company or its Securities, directly or indirectly, that is not generally available and 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) Declaration of dividends (both interim and final)
 - (iii) Change in Capital Structure including Issue securities and buy-back of securities or forfeiture of shares or change in market lot of shares;
 - (iv) Acquisition, Merger, Demerger, Amalgamation, Restructuring, Scheme of arrangement or takeovers;
 - (v) Disposal, spin off or selling division of whole or substantially whole of the undertaking;
 - (vi) Any major expansion plans or execution of new projects or any significant changes in policies, plans or operations of the Company;
 - (vii) Changes in Key Managerial Personnel; and
 - (viii) Other matters as may be prescribed by SEBI or Considered by the Compliance Officer to be price sensitive from time to time.

All the words and expressions used but not defined in this code/policy but are defined under the Act, the Regulations, the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 and the rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

2. Norms for disclosure of UPSI

2.1. Prompt public disclosure of UPSI:

The UPSI shall be disclosed to stock exchanges promptly on a continuous basis as soon as credible and concrete information comes into being and for the purpose of disclosure to stakeholders and public in order to make such information generally available. For this purpose, UPSI includes any information which relates directly or indirectly to the Company and which, if published, is likely to affect the price discovery of shares of the Company.

2.2. Uniform and Universal dissemination of UPSI:

The UPSI shall be disseminated uniformly and universally to all stakeholders through Stock Exchanges. The Company shall use its best endeavours to avoid selective disclosure of price sensitive information. However, if any Information gets disclosed selectively or inadvertently or otherwise, endeavour shall be made to make generally available the above information through dissemination of the same to Stock Exchanges and/or by posting the same on the official website of the Company as soon as practicable. The Compliance Officer shall deal with dissemination of information and disclosure of UPSI.

2.3. Overseeing and co-ordinating disclosure:

- The Compliance Officer, for the purpose of these Regulations, shall oversee disclosures and deal with dissemination of the price sensitive information and disclosure of same in the aforesaid manner.
- The Compliance Officer shall be responsible for ensuring that the Company complies with disclosure requirements and overseeing and co-ordinating disclosure of price sensitive information to Stock Exchanges, on the website of the Company for public dissemination and media.
- If information is accidentally disclosed without prior approval of Compliance Officer, the person responsible may inform the Compliance Officer immediately, even if the information is not considered price sensitive. In such event of inadvertent, selective disclosure of the price sensitive information, the Compliance Officer shall take prompt action to ensure that such information is generally available.

2.4. Responding to market rumours:

- The Compliance Officer shall promptly respond to any queries on news reports and or requests for verification of market rumours by exchanges.
- The Compliance Officer shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and then making the disclosure. He/she shall also provide appropriate assistance and fair response to the regulatory authorities including the stock exchanges for verification of news reports and market rumours.

2.5. Process of disseminating information in order to make the price sensitive information generally available:

- Disclosure/dissemination of information may be done through various media so as to achieve maximum reach and quick dissemination.
- Company shall ensure that disclosure to stock exchanges is made promptly.

3. Manner of dealing with analyst and research personnel:

- (i) Only Public and generally available information to be provided - The Company shall only provide only public and generally available information to the analysts/research persons/investors like institutions. Alternatively, the information being given to the analysts should be simultaneously made public at the earliest.
- (ii) Handling of unanticipated questions - The Company should be careful while dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions may be taken on notice and a considered response may be given later. If the answer includes price sensitive information, a public announcement should be made before responding.
- (iii) Simultaneous release of Information - When the Company organizes meetings with analysts, the Company shall make a press release or post relevant information on its website after every such meet.
- (iv) The Company will ensure that information shared with analysts and research personnel is not UPSI.

4. UPSI on Need-to-Know basis:

UPSI shall be handled on a "need to know" basis i.e. UPSI shall be disclosed only to those within the Company or persons connected with the Company who need the information for Legitimate Purpose, or to discharge their official duties or discharge of legal obligations.

5. Disclosure of Code on Public Domain:

This code and any amendment thereof will be published on the Company's website www.unitedbreweries.com.

6. Policy for Legitimate Purposes:

The Company has framed a policy for determination of 'Legitimate Purposes' as a part of the Fair Disclosures Code, which is Annexed as **Annexure-I**.

7. Amendment of the Code

The Board shall have power to amend any of the provisions of the code, substitute any of the provisions with a new provision or replace the code entirely with a new code according to subsequent modification(s)/amendment(s) to the Regulations and shall be promptly intimated to the Stock Exchange where the securities of the Company are listed.

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES
(As a part of Code of Fair Disclosure and Conduct)

PRESERVATION OF CONFIDENTIALITY OF PRICE SENSITIVE INFORMATION

NEED TO KNOW BASIS

UPSI is to be handled on a "need to know" basis.

It should be disclosed only to those within the Company or persons connected with the Company who need the information for Legitimate Purpose, or to discharge their official duties or discharge of legal obligations and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

SHARING OF INFORMATION FOR LEGITIMATE PURPOSE

UPSI can however be shared in the ordinary course of business by an Insiders with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants where such communication is in furtherance of Legitimate Purpose, performance of duties or discharge of legal obligations. The following shall be considered as legitimate purpose generally:

- where it is **necessary for the performance of the contract**;
- where it is necessary for **compliance with a legal obligation** to which we are subject; and/or
- where it is necessary for purposes of the **legitimate interests** pursued by us or a third party.

MAINTENANCE OF A STRUCTURED DATA BASE

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

CONSIDERATION OF THE PERSON AS AN INSIDER

Any person in receipt of UPSI pursuant to a "Legitimate Purpose" shall be considered an "Insider" for purposes of this Fair Disclosure Code and the Regulations. Further due notice shall be given to such persons to maintain confidentiality of such UPSI that is being shared with them. Further such persons shall also be informed that they shall not communicate the unpublished price sensitive information with any other person or trade in the securities of the company while being in possession of the unpublished price sensitive information.

NON-DISCLOSURE

All parties including Designated Persons with whom information is being shared for Legitimate Purpose shall maintain confidentiality and there shall be a nondisclosure obligation on the part of such parties who shall keep information so received confidential, except in the furtherance of Legitimate Purpose, performance of official duties or discharge of legal obligations and shall not otherwise trade in securities of the Company when in possession of UPSI.

DISCLAIMER

The onus of establishing “connected persons or not” will be on the Designated Persons covered under (i to vii) of sub-clause ‘1.5’ of Clause 1 based on whether the connected persons is in possession of UPSI.

POLICY AND PROCEDURE FOR INQUIRY IN CASE OF LEAK OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)

Preamble

This Policy is framed with an aim to implement a structured procedure for investigation in case of leak or suspected leak of UPSI.

Applicability

This policy shall apply to all Insiders and any other persons as defined by law with effect from April 1, 2019.

Procedure for inquiry in case of leak of UPSI or suspected leak of UPSI

1. A Complaint (written, oral or electronic) regarding a leak or suspected leak of UPSI may be received by the Company from the following sources:
 - a. **Internal:**
 - i. A Whistle-blower through the whistle-blower process as illustrated in the “Speak Up” The Whistleblowing Policy of United Breweries Limited;
 - ii. Any leak or suspected leak of UPSI detected through the internal controls implemented by the Company.
 - b. **External:** Registrar and Share Transfer Agent, Depository, Stock Exchange, Regional Director, Registrar of Companies, Regulatory / Statutory authority or any other department of Central or State Government based on the complaint received from a whistle-blower (above shall be collectively referred to as “Complaint(s)”)
2. The Compliance Officer shall report the Complaint to the Audit Committee within a reasonable time from the date of receipt of the Complaint;
3. The Audit Committee shall review the Complaint and discuss with the Compliance Officer on potential next steps including but not limited to seeking additional information to consider an investigation, disclosure requirements to the regulatory authorities, appointment of an investigation panel consisting of internal employees or external agencies. If the Complaint implicates the Compliance Officer then he will recuse himself from the said inquiry process;
4. If the Audit Committee mandates an investigation, then the identified panel of investigators shall conduct the investigation into the Complaint(s) and present their findings to the Compliance Officer. The executive summary of the investigation shall be reported to the Audit Committee by the Compliance Officer;
5. Based on the update provided by the Compliance Officer, the Audit Committee shall put forward its recommendation to the Board. The Board, on receipt of such recommendation and after due deliberations, shall decide on the next steps. This may include taking action as prescribed in the ‘Code of Business Conduct and Ethics’.
6. Any words used in this Policy but not defined herein shall have the same meaning as described to it in the Companies Act, 2013 or Rules made thereunder, Securities & Exchange Board of India Act or Rules and Regulations made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 or any other relevant legislation/law applicable to the Company, as amended from time to time.
7. The Board shall have the power to amend or substitute any of the provisions of this Policy, with a new provision and also replace this Policy entirely with a new Policy;
