

CODE OF FAIR DISCLOSURE

(Pursuant to Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015)

Approved by the Board of Directors at its meeting held on April 19, 2023

This Code may be called as "**COMPANY'S CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)**".

The Company is required to formulate a Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information ("Code") pursuant to Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulation, 2015, as amended ("SEBI PIT Regulations"). Accordingly, the Board of Directors of the Company ("Board") of Five-Star Business Finance Limited ("Company") has formulated this Disclosure Code.

The objective of this Code is to ensure timely and adequate public disclosure of unpublished price sensitive information, as defined and understood pursuant to Regulation 2(n) of the SEBI PIT Regulations which would impact the price of the Company's securities and to maintain uniformity, transparency and fairness in dealing with all stakeholders and in ensuring adherence to applicable laws and regulations.

This Code may be modified by the Board of Directors from time to time to adopt best practices and to comply with the SEBI PIT Regulations.

Definitions:

"Unpublished Price Sensitive Information" or ***"UPSI"*** means any information, relating to the Company or its securities, directly or indirectly, that is not generally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:

- a. Financial Results;
- b. Dividends;
- 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. Material events in accordance with the listing agreement; and
- g. Such other information, in the opinion of the Board, if disclosed is likely to materially affect the prices of the securities.

"Generally available information" means information that is accessible to the public on a non-discriminatory basis.

Chief Investor Relations Officer

The Chief Financial Officer of the Company will act as the 'Chief Investor Relations Officer', as per the Code. The Chief Investor Relations Officer will be responsible for dissemination of information and disclosure of UPSI, through the Company Secretary, in compliance with applicable corporate and securities laws.

The responsibilities of the Chief Investor Relations Officer shall include overseeing and co-ordinating the disclosure of price sensitive information to stock exchanges, analysts, shareholders and the media. Routine disclosures to the stock exchanges shall continue to be made by designated officers who have responsibility for making such disclosures.

Responding to Market Rumours

Any query or request for verification of market rumours received from stock exchanges, the press, the media or any other source received by any employee or officer of the Company shall ordinarily be directed to the Chief Investor Relations Officer.

If deemed necessary, the Chief Investor Relations Officer shall make a public announcement for verifying or denying the rumours and thereafter make appropriate disclosures.

All requests and queries for verifications of market rumours shall be documented as far as practicable. In this regard, the Chief Investor Relations Officer shall request for all queries and requests be made in writing.

The Company will adhere to the following principles

1. The Company will make prompt public disclosure of UPSI to stock exchanges and upload the same on to the website of the Company to make the information generally available to public, in order that the same may be accessible to any of the members or any stakeholder..
2. The Company will make, uniform and universal dissemination of UPSI by way of intimation to stock exchanges and other means to improve investor access to their public announcements.
3. The Company will ensure that information, if shared, with analysts and research personnel are not UPSI.
4. The Company will develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
5. In respect of unanticipated questions from members or any stakeholder, such questions will be taken note of and a considered response will be given later. If the answer includes UPSI, a public announcement should be made before responding.
6. The Company will handle all UPSI on a need-to-know basis.
7. This Code shall be published on the official website of the Company.
8. This Code and every subsequent modification, alteration or amendment made thereto, shall also be intimated to the stock exchange where the securities of the Company are listed.

In addition to this:

- a. The Chief Financial Officer and Company Secretary are severally authorised to deal with dissemination of information and disclosure of UPSI.
- b. The Company shall ensure prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- c. The Company shall ensure to make appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- d. The Company shall ensure that information shared with analysts and research personnel is not an UPSI.

Any person in the Company who is in possession or access to UPSI, shall handle such information with care and to deal with the information available with them when transacting their business strictly on a need-to-know basis. No UPSI shall be communicated to any person except where such communication is in furtherance of legitimate purposes as laid down in the Policy for Determination of Legitimate Purposes forming part of this Code, performance of duties or discharge of legal obligations.

Policy for Determination of Legitimate Purposes

[Pursuant to Regulation 3(2A) of SEBI (Prohibition of Insider Trading) Regulations, 2015]

The Policy for Determination of Legitimate Purposes is being framed in compliance with the requirement stipulated under Regulation 3(2A) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the Regulations), for determination of legitimate purposes.

The Policy shall form part of the Code of Practices and Procedures for Fair Disclosure of UPSI and Code of Conduct.

An insider shall not communicate or share any UPSI relating to the Company or securities listed or proposed to be listed, to any person, except in furtherance of legitimate purposes as under:

1. The sharing of UPSI shall be in the ordinary course of business.
2. The sharing of UPSI shall be in connection with plans of the Company, relating to the operations, diversification, expansion, restructuring or discharge of legal obligations.
3. Such sharing of UPSI shall be with partners, collaborators, lenders, customers, merchant bankers, legal advisors, auditors, or other advisors or consultants.
4. The sharing of UPSI has not been carried out to evade or circumvent the prohibitions of the Regulations.

Any person who is in receipt of UPSI pursuant to a legitimate purpose shall be deemed to be an insider for the purpose of compliance with the Regulations. Such person(s) shall be informed for the purpose of maintaining confidentiality of UPSI in accordance with the provisions of the Regulations.

Policy for dealing with Leak or Suspected Leak of UPSI

[Pursuant to Regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulations, 2015]

This Policy is being framed in compliance with the requirement stipulated under Regulation 9A (5) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the Regulations), for dealing with leak or suspected leak of unpublished price sensitive information.

An 'insider' shall not communicate or share any UPSI relating to the Company or securities listed or proposed to be listed to any person and shall handle all information on need-to-know basis.

No UPSI shall be communicated to any person except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

In the case of any leak or suspected of leak of UPSI, the Company shall adopt the following procedures:

1. Ascertain whether the information is price sensitive and unpublished.
2. Determine whether the person who is suspected of having leaked the information is an 'insider' and whether such person was authorised to possess such information.
3. Ascertain the impact of the leak on the market and various stakeholders.
4. Initiate an enquiry to ascertain the reasons for such leak or suspected leak and establish the certainty of the same.
5. Seek appropriate statements and declarations from the insider(s) who are found guilty of such leak of UPSI.
6. Initiate appropriate disciplinary action on such insider(s) including legal action, if considered necessary.
7. Inform the Securities and Exchange Board of India directly or through the Stock exchange about such leaks, enquiries and the outcome of such enquiries within two working days from the date of completion of all proceedings in this connection.