Artificial Electronics Intelligent Material Limited

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

(Pursuant to Regulation 9(1) read with Schedule B of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time)

1. INTRODUCTION

Artificial Electronics Intelligent Material Limited (hereinafter referred to as "the Company") is committed to maintaining the highest standards of transparency, integrity and fairness in the securities market.

The Company recognises the importance of preventing insider trading and ensuring that Unpublished Price Sensitive Information (UPSI) is not misused by any person for personal benefit or for the benefit of others.

Accordingly, the Company has adopted this Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons ("Code") in accordance with Regulation 9(1) read with Schedule B of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

This Code establishes procedures and restrictions governing trading in the securities of the Company by Designated Persons and their Immediate Relatives and aims to prevent misuse of UPSI.

2. OBJECTIVES OF THE CODE

The objectives of this Code are:

a) To regulate, monitor and report trading by Designated Persons and their Immediate Relatives in the securities of the Company.

b) To prevent insider trading and misuse of Unpublished Price Sensitive Information.

c) To ensure compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

d) To establish appropriate procedures for pre-clearance of trades by Designated Persons.

e) To regulate the trading window and impose restrictions on trading during prohibited periods.

f) To prescribe disclosure requirements relating to trading in securities of the Company.

g) To establish appropriate safeguards for handling UPSI within the organisation.

h) To provide for disciplinary action in case of violation of this Code.

3. DEFINITIONS

For the purpose of this Code, the following terms shall have the meanings assigned to them below:

3.1 Act

"Act" means the Securities and Exchange Board of India Act, 1992, as amended from time to time.

3.2 Board

"Board" means the Board of Directors of Artificial Electronics Intelligent Material Limited.

3.3 Compliance Officer

"Compliance Officer" means the Company Secretary or such other senior officer designated by the Board of Directors to administer this Code and monitor compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

3.4 Connected Person

"Connected Person" shall have the meaning assigned to it under Regulation 2(1)(d) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

3.5 Designated Persons

"Designated Persons" shall mean such persons identified and designated by the Board of Directors in consultation with the Compliance Officer on the basis of their role, function, seniority, professional designation and access to Unpublished Price Sensitive Information.

Designated Persons shall include the categories of persons required to be covered under Regulation 9(4) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, including:

a) Employees designated on the basis of their functional role or access to UPSI.

b) Employees of material subsidiaries designated on the basis of their functional role or access to UPSI.

c) All promoters of the Company.

d) The Chief Executive Officer and employees up to two levels below the Chief Executive Officer, irrespective of their functional role or ability to access UPSI.

e) Support staff, including IT and secretarial staff, having access to UPSI.

f) Such other persons as may be identified by the Board in consultation with the Compliance Officer.

3.6 Immediate Relative

"Immediate Relative" shall mean the spouse of a person and includes the parent, sibling and child of such person or of the spouse, any of whom is either financially dependent on such person or consults such person in taking decisions relating to trading in securities.

3.7 Insider

"Insider" shall mean any person who is:

a) A Connected Person; or

b) In possession of or having access to Unpublished Price Sensitive Information.

3.8 Securities

"Securities" shall have the meaning assigned to them under the Securities Contracts (Regulation) Act, 1956 and shall include the securities of the Company listed on the recognised stock exchange.

3.9 Trading

"Trading" shall include subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell or deal in any securities, and shall have the meaning assigned under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

3.10 Unpublished Price Sensitive Information (UPSI)

"Unpublished Price Sensitive Information" means any information relating to the Company or its securities, directly or indirectly, which is not generally available and which, upon becoming generally available, is likely to materially affect the price of the securities.

UPSI shall include information relating to:

a) Financial results.

b) Dividends.

c) Change in capital structure.

d) Mergers, demergers, acquisitions, delistings, disposals and expansion of business and such other transactions.

e) Changes in Key Managerial Personnel, other than those specifically exempted under applicable regulations.

f) Any other information as may be specified under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

3.11 Trading Window

"Trading Window" means the period during which Designated Persons are permitted to trade in the securities of the Company, subject to compliance with this Code and applicable SEBI regulations.

3.12 Contra Trade

"Contra Trade" means a trade or transaction involving both buying and selling of securities of the Company within a period of six months, in the manner prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

4. GENERAL RESTRICTIONS ON TRADING

4.1 No Designated Person or Insider shall trade in the securities of the Company while in possession of Unpublished Price Sensitive Information.

4.2 No Designated Person shall communicate, provide or allow access to any UPSI relating to the Company to any person, except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

4.3 No person shall procure or cause the communication of UPSI relating to the Company to any person in violation of applicable SEBI regulations.

4.4 No Designated Person shall misuse or exploit UPSI for personal gain or for the benefit of any other person.

4.5 The restrictions contained in this Code shall also apply to Immediate Relatives of Designated Persons, in accordance with applicable SEBI regulations.

5. TRADING WINDOW

5.1 The Company shall close the Trading Window during such periods as may be determined by the Compliance Officer, taking into consideration the nature of UPSI and the applicable provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

5.2 The Trading Window shall mandatorily remain closed from the end of every quarter until 48 hours after the declaration of financial results.

5.3 The Compliance Officer may close the Trading Window at any other time when Designated Persons or a class of Designated Persons are reasonably expected to have possession of UPSI.

5.4 The Trading Window shall be reopened not earlier than 48 hours after the information referred to in Regulation 2(1)(n) becomes generally available.

5.5 The Compliance Officer shall notify the closure and reopening of the Trading Window to all Designated Persons through appropriate communication channels.

5.6 During the closure of the Trading Window, Designated Persons and their Immediate Relatives shall not trade in the securities of the Company, subject to applicable statutory exemptions.

6. PRE-CLEARANCE OF TRADES

6.1 All Designated Persons who intend to trade in the securities of the Company beyond the threshold determined by the Board of Directors shall obtain prior approval from the Compliance Officer.

6.2 The Board shall prescribe the monetary threshold for pre-clearance of trades. The threshold shall be communicated to all Designated Persons.

6.3 An application for pre-clearance shall be submitted to the Compliance Officer in the prescribed format, providing details of the proposed transaction, including the nature and quantity of securities intended to be traded.

6.4 The Compliance Officer shall examine the application and ensure that the applicant is not in possession of UPSI and that the Trading Window is open.

6.5 Approval for pre-clearance shall be valid for seven trading days from the date of approval, unless a shorter period is specified in the approval.

6.6 If the transaction is not executed within the validity period, fresh approval shall be obtained before undertaking the proposed trade.

6.7 The Designated Person shall submit a declaration confirming that he or she is not in possession of UPSI at the time of applying for pre-clearance.

6.8 No Designated Person shall execute a contra trade within six months of the previous transaction, except in cases specifically permitted under applicable SEBI regulations and subject to the prescribed conditions.

6.9 The Compliance Officer may refuse or defer approval of any proposed trade if there is a reasonable likelihood of violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

7. CONTRA TRADE RESTRICTIONS

7.1 All Designated Persons who are permitted to trade in the securities of the Company shall not execute a contra trade within six months from the date of the earlier transaction.

7.2 The Compliance Officer may grant relaxation from strict application of the contra trade restriction for reasons recorded in writing, provided such relaxation is not in violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

7.3 In case of any contra trade executed in violation of this Code, the profits arising from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI, in accordance with applicable regulations.

7.4 The restrictions on contra trades shall not apply to transactions specifically exempted under applicable SEBI regulations.

8. DISCLOSURE REQUIREMENTS

8.1 Initial Disclosure

Every person appointed as a Key Managerial Personnel, Director or Designated Person shall disclose their holding of securities of the Company as on the date of appointment or becoming a Designated Person, within 30 days of such appointment or designation, in the prescribed format.

8.2 Continual Disclosure

Every promoter, member of the promoter group, Designated Person and Director shall disclose the number of securities acquired or disposed of, if the value of securities traded, whether in one transaction or a series of transactions over any calendar quarter, exceeds ₹10 lakh or such other threshold as may be prescribed under applicable SEBI regulations.

Such disclosure shall be made within two trading days of the transaction, in the prescribed format.

8.3 Disclosure of Holdings

Designated Persons shall disclose their securities holdings and the holdings of their Immediate Relatives and other persons for whom they take trading decisions, as and when required by the Compliance Officer in accordance with applicable regulations.

8.4 Annual Disclosure

The Company may require Designated Persons to provide annual declarations regarding their securities holdings, Immediate Relatives and other relevant information to facilitate compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

8.5 Other Disclosures

All disclosures shall be made in the prescribed forms and within the time limits specified under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

9. TRADING PLANS

9.1 An Insider may formulate a Trading Plan in accordance with Regulation 5 of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

9.2 The Trading Plan shall be submitted to the Compliance Officer for approval and public disclosure in accordance with applicable regulatory requirements.

9.3 The Compliance Officer shall review the Trading Plan to ensure that it complies with the prescribed conditions under the SEBI regulations.

9.4 Once approved and disclosed, the Trading Plan shall be implemented in accordance with Regulation 5 of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

9.5 No person shall deviate from an approved Trading Plan except in circumstances and subject to conditions permitted under applicable regulations.

10. HANDLING OF UNPUBLISHED PRICE SENSITIVE INFORMATION

10.1 All UPSI shall be handled strictly on a need-to-know basis.

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

10.3 The Company shall maintain appropriate controls and procedures to prevent unauthorised access to UPSI.

10.4 The Company shall implement appropriate Chinese Wall procedures, wherever necessary, to restrict the flow of UPSI between departments or individuals.

10.5 Any person receiving UPSI shall maintain strict confidentiality and shall not trade in the securities of the Company while in possession of such information.

10.6 The sharing of UPSI for legitimate purposes shall be undertaken in accordance with the Company's Code of Fair Disclosure of UPSI and applicable provisions of the SEBI regulations.

11. STRUCTURED DIGITAL DATABASE

11.1 The Company shall maintain a Structured Digital Database (SDD) containing details of persons or entities with whom UPSI is shared, along with the nature of UPSI and the purpose for which such information is shared.

11.2 The database shall contain the requisite information, including the names of persons who have shared and received UPSI, their Permanent Account Number (PAN) or other legally authorised identifier, wherever PAN is not available.

11.3 The Structured Digital Database shall be maintained internally with adequate controls and safeguards to prevent unauthorised access, alteration or destruction.

11.4 The Structured Digital Database shall not be outsourced and shall be maintained for the period prescribed under applicable SEBI regulations.

11.5 The database shall be preserved for at least eight years after completion of the relevant transactions. In case any investigation or enforcement proceedings are initiated by SEBI, the relevant information shall be preserved until completion of such proceedings.

12. DUTIES AND RESPONSIBILITIES OF THE COMPLIANCE OFFICER

The Compliance Officer shall be responsible for administering and monitoring compliance with this Code and the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The responsibilities shall include:

a) Monitoring the Trading Window and notifying its closure and reopening.

b) Processing applications for pre-clearance of trades.

c) Maintaining records of disclosures and pre-clearance applications.

d) Monitoring compliance with the restrictions on trading.

e) Maintaining the list of Designated Persons.

f) Ensuring that UPSI is handled in accordance with the prescribed procedures.

g) Maintaining and monitoring the Structured Digital Database.

h) Reporting violations of this Code to the Board of Directors and the Audit Committee, if any, at the prescribed frequency and at least once a year.

i) Informing SEBI and the recognised stock exchange(s) about violations of the Code in accordance with applicable regulations and circulars.

j) Ensuring appropriate dissemination of this Code to Designated Persons.

13. DISCIPLINARY ACTION

13.1 Any Designated Person who violates the provisions of this Code or the SEBI (Prohibition of Insider Trading) Regulations, 2015 shall be liable for appropriate disciplinary action.

13.2 The Company may take disciplinary action, including:

a) Warning or written reprimand.

b) Suspension from employment or other duties, wherever appropriate.

c) Recovery or disgorgement of profits, wherever legally permissible.

d) Withholding of salary, bonus or other benefits, subject to applicable employment laws.

e) Termination of employment or other appropriate action.

13.3 Any action taken by the Company shall be without prejudice to any penalty or action that may be imposed by SEBI or any other regulatory authority under applicable laws.

13.4 The Compliance Officer shall promptly report violations of this Code to the Board and take steps for reporting such violations to SEBI in the prescribed manner.

14. REPORTING OF VIOLATIONS

14.1 Any violation or suspected violation of this Code shall be promptly reported to the Compliance Officer.

14.2 The Compliance Officer shall examine the reported violation and place the matter before the Board of Directors or the Audit Committee, if any, for appropriate action.

14.3 The Company shall report violations of the Code of Conduct to SEBI in accordance with Clause 13 of Schedule B of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and applicable SEBI circulars.

14.4 The Company shall also make the requisite disclosures to the recognised stock exchange(s) and take appropriate action in accordance with applicable regulatory requirements.

15. PROTECTION AGAINST UNAUTHORISED DISCLOSURE

The Company shall take appropriate measures to ensure that UPSI is not disclosed to unauthorised persons.

All Designated Persons shall maintain confidentiality of information obtained in the course of their employment or association with the Company and shall not use such information for personal benefit or for the benefit of any other person.

16. REPORTING TO THE BOARD

The Compliance Officer shall report to the Board of Directors and shall provide reports to the Chairperson of the Audit Committee, if any, or the Chairperson of the Board at such frequency as may be stipulated by the Board, but not less than once in a year.

The report shall include details of compliance with this Code, disclosures received, pre-clearance applications, violations identified and actions taken, wherever applicable.

17. AMENDMENT AND MODIFICATION

The Board of Directors of Artificial Electronics Intelligent Material Limited shall have the authority to amend, modify, alter or replace this Code, either wholly or partly, from time to time, in accordance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and other applicable statutory and regulatory requirements.

Any amendment to this Code shall be communicated to all Designated Persons and uploaded on the Company's official website, wherever required.

In case of any inconsistency between this Code and applicable statutory or regulatory provisions, the provisions of such applicable laws shall prevail.

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