

SUNDARAM FINANCE LIMITED CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

Formulated as per sub-regulation (1) of Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 read with Schedule thereof

- (I) 1. This Code may be called "SFL Code of Conduct for prevention of Insider Trading (New)"
2. This Code shall come into force from 15th May 2015.

(II) **DEFINITIONS:**

1. **Compliance officer:** The Compliance Officer designated by the Board from time to time for implementing the regulations under the Code.
2. **Connected person** means any person who is or has, during the six months prior to the concerned act been associated with a 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himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

Based on the above definition the following persons and their "immediate relatives" are to be reckoned as "connected persons" for our company:

- A. Promoters
- B. Directors (including whole-time-directors)
- C. Key Managerial Personnel (Chief Financial Officer and Company Secretary)
- D. Senior Management as defined by the Board of Directors i.e. (i) All Officers in the Grade of Senior Vice President and above and (ii) the Heads in charge of Internal Audit Department, Legal Department and Sundaram Direct (a division of our Company)

E. Any other person, as may need to be included having regard to the above definition, from time to time – this category may include the persons falling within the following categories who may be deemed to be connected persons **unless the contrary is established:**

- (i) a holding company or associate company or subsidiary company; or
- (ii) an intermediary as specified in section 12 of the Act or an employee or director thereof; or
- (iii) an investment company, trustee company, asset management company or an employee or director thereof; or
- (iv) a member of board of trustees 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
- (v) 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
- (vi) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
- (vii) a banker of the company; or
- (viii) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten percent of the holding or interest;

Note: It is intended that a connected person is one who has a connection with the company that is expected to put him in possession of unpublished price sensitive information

3. **“Designated Persons”** means (a) All the employees of the Company in the grade of General Manager and above (other than those covered under the definition of “connected persons”), (b) All other officers working in Finance, Accounts and Secretarial Departments of the Company (other than those covered under the definition “connected persons” and (c) All other Heads of Departments not covered in the definition of “connected persons”



4. **Immediate relative** means a spouse of 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 decisions relating to trading in securities.

Note: It is intended that the immediate relatives of a "connected person" too become connected persons for purposes of this Code. However, this is a rebuttable presumption.

5. **Insider** means any person who is:

- (i) a connected person; or
- (ii) in possession of or having access to unpublished price sensitive information;

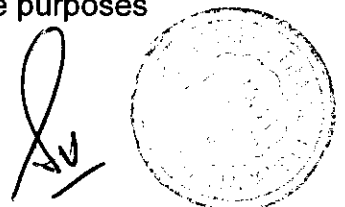
6. **Unpublished price sensitive information (UPSI)** means any information, relating to a Company or its securities, directly or indirectly, that is not generally available public on a non-discriminatory basis, which upon becoming generally available, is likely to materially affect the price of the 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, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel; and
- (vi) material events in accordance with the listing agreement.

7. **Chinese Wall** means all information shall be handled within the organisation on a **need-to-know basis** and no UPSI shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

(III) RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

- 1) No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company
- 2) No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes



(IV) **CONNECTED PERSONS & DESIGNATED PERSONS IN POSSESSION OF UPSI**

- 1) Connected persons & designated persons within the organisation shall handle all information on a **need-to-know basis** and no UPSI shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.
- 2) Any breach of the above said obligation will attract disciplinary action as per Clause XI of this code.

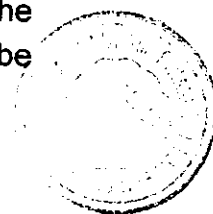
(V) **EXEMPTIONS**

Certain Trades may be exempted even when in possession of UPSI, if it is demonstrated by the persons who undertook the trade that there is no violation of all the provisions of the Code some examples are:

- a) Off-market inter-se transfer between promoters who are in possession of UPSI and who made an informed trade decision.
- b) Transactions in the case of non-individual insiders where the persons who took the trading decisions were different from the individuals who might have had UPSI in their possession and that the said individuals who were in possession of the UPSI did not communicate the same to the persons who took the trading decisions and strong evidences are furnished in this regard.
- c) The trades were pursuant to a Trading Plan set up as explained in Clause VI below.

(VI) **TRADING PLAN**

- (1) An insider shall be entitled to formulate a trading plan and present it to the compliance officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.
- (2) Such trading plan shall:—
 - a) Commence only after 6 months from the public disclosure of the plan;
 - b) not entail trading for the period between the 20th trading day prior to the last day of any financial period for which results are required to be

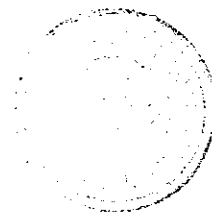


announced by the issuer of the securities and the second trading day after the disclosure of such financial results; (as this period is dependent on trading days which may vary from time to time, the Compliance officer will announce the "blocked period for trading plan" in advance once the trading calendar is re announced by the Stock Exchanges)

- c) entail trading for a period of not less than 12 months;
 - d) not entail overlap of any period for which another trading plan is already in existence;
 - e) set out either the value of trades to be effected or 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; and
 - f) not entail trading in securities for market abuse.
 - g) Be irrevocable in nature and the insider shall mandatorily have to implement the plan without being entitled to deviate from the same.
- (3) The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of these 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
- (5) There shall not be any UPSI both at the time of formulation and implementation of the trading plan
- (6) Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

(VII) TRADING WINDOW CLOSURE

- 1) The trading window shall be closed whenever the compliance officer determines that a connected person, designated person or class of designated persons can reasonably be expected to have possession of UPSI. During this period Insiders/Designated persons or their immediate relatives shall not deal in Company's securities. Such trading window closure shall also be applicable to persons having contractual/fiduciary relationship with the company (such as auditors, lawyers, consultants, analysts etc., assisting the company)



- 2) The timing for re-opening of the trading window shall be determined by the compliance officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than 48 hours after the information becomes generally available to the public.

(VIII) PRE-CLEARANCE

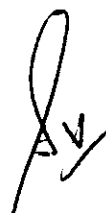
- 1) If the trading window is open, before making acquisition / sale of equity share of the Company, designated persons shall obtain a pre-clearance from the compliance officer, **at least 2 trading days prior to the transaction** as per format vide **Annexure A**.
- 2) Such pre-clearance shall be **valid for 7 trading days**, within which trades that have been pre-cleared have to be executed by the designated person, failing which fresh pre-clearance would be needed for the trades to be executed
- 3) On receipt of the application, the Compliance Officer will give an acknowledgement as per format vide **Annexure B**.

(IX) OPPOSITE TRANSACTIONS

- 1) Connected persons and designated persons who buy or sell any number of shares of the company shall not execute a contra trade i.e. sell or buy any number of shares during the next six months following the prior transaction.
- 2) In the case of sale of securities necessitated by a personal emergency, the holding period may be waived by the Compliance Officer after recording in writing his reasons in this regard.

(X) DISCLOSURE REQUIREMENTS

Initial Disclosure by Promoter, key managerial personnel and directors	Continual Disclosure by Promoter, Employees, Director and other connected persons
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Disclose the holdings within 30 days from 15.05.2015 to Stock Exchange and the Company Disclose the holdings as on the date of appointment or becoming a promoter, to the company within 7 days of such appointment or becoming a promoter	Disclose the details securities bought and sold within 2 trading days if 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 Lakhs or such other value as may be specified Company shall intimate the stock exchange within 2 trading days.
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(XI) REPORTING BY COMPLIANCE OFFICER

Compliance officer shall submit a report on the compliance of Sundaram Finance Limited code of conduct for Prevention of Insider trading in the following manner:

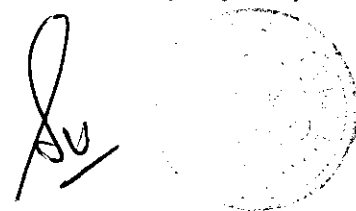
- i) Quarterly to the Managing Director;
- ii) Annually to the Audit Committee and Board of Directors.

(XII) DISCIPLINARY ACTION

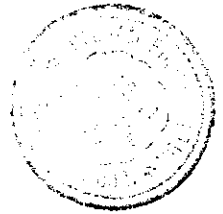
- 1) Any employee/officer/director who trades in securities or communicates any information for trading in securities in contravention of the code of conduct may be penalized.
- 2) Any employee/officer who violates the code of conduct will also be subject to disciplinary action by the company, which may include wage freeze, suspension, ineligible for future participation in employee stock option plans, etc.
- 3) The action by the company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 1992.
- 4) On contravention of Clause IX, the profits from such trade shall be liable to disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund.

(XIII) POWER TO MAKE CHANGES

The Managing Director and Secretary and Compliance Officer of the Company may from time to time be severally empowered to:



1. amend the list of Designated Persons and Connected Persons;
2. formulate such procedure for implementation of pre-clearance and trade plan and prescribe forms for initial and continual disclosures until the same is notified by SEBI; and
3. make necessary changes to this Code of Conduct including forms for pre-clearance and undertaking.

A handwritten signature in black ink, consisting of a stylized 'S' followed by a checkmark-like symbol.

SUNDARAM FINANCE LIMITED
APPLICATION FOR PRE-CLEARANCE OF TRADES

Name of the Insider _____

Employee no: _____

Dept. / Branch _____

DP ID / Client ID _____

Folio no. _____

Shares held _____

I _____ an Insider of the Company, holding _____ shares propose to acquire / sell _____ shares. I request you to kindly pre-clear this trade. After this acquisition / sale my holdings in the company will be _____ shares. An undertaking required to be given under the code is furnished overleaf.

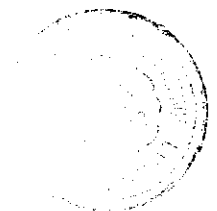
I shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the above transaction.

Thanking you,

Yours truly,



(_____)



SUNDARAM FINANCE LIMITED
UNDERTAKING TO BE EXECUTED BY AN INSIDER

I _____ an insider, S/o, D/o, W/o _____ aged _____ years do hereby give an undertaking that:

I do not have any access or has not received "Unpublished Price Sensitive Information" upto the time of signing this undertaking.

In case I have access to or receive "Unpublished Price Sensitive Information" after the signing of this undertaking but before the execution of the transaction, I shall inform the Compliance Officer of the change in my position and that I would completely refrain from dealing in the securities of the company till the time such information becomes public.

I have not contravened the Code of Conduct for Prevention of Insider Trading as notified by the company from time to time, framed on the lines of SEBI (Prohibition of Insider Trading) Regulations, 2015.

I shall execute the order for acquisition / sale of shares within 7 trading days, after the approval of pre-clearance.

In case the order is not executed within 7 trading days, I shall again pre-clear the transaction prior to my entering into a contract for acquisition/sale of shares.

I shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following this transaction. I have made a full and true disclosure in the matter.

(SIGNATURE)



SUNDARAM FINANCE LIMITED

Acknowledgement No: _____

Date: _____

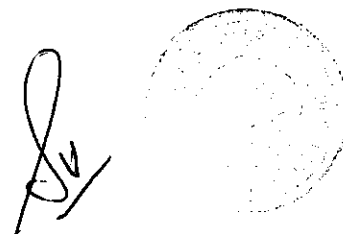
Mr/Mrs

Pursuant to your application dated _____, for pre-clearance of trade, we hereby clear the trade for purchase/sale of _____ equity shares at market price. You are requested to furnish the details of trade as under:

No. of Shares	
Date of Execution	
Name of the Broker	
Price	

In case, you do not effect the transaction within 7 trading days (_____ to _____), kindly get back to us for a pre-clearance.

Signature of the Compliance Officer

A handwritten signature in black ink is written over a circular, textured stamp. The signature appears to be 'Sv' or similar. The stamp is a circular seal with a textured, possibly embossed or stamped, pattern.