

MOTHERSON SUMI SYSTEMS LIMITED

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In terms of Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 1992 as amended from time to time, (hereinafter referred to as the 'Regulations') the following Code of Conduct (hereinafter referred to as the 'Code') is implemented for prevention of Insider Trading in the securities of the Company.

Officer – includes any Director, Manager, Secretary, CEO/COOs, External and Internal Auditor of the Company or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the Directors is or accustomed to act including their dependents family member.

Designated Employees means ;

- (i) All employees of the Company at Manager level and above;
- (ii) CFOs and finance persons of level of Assistance Manager and above of the Company;
- (iii) Employees of the level of the Manager and above working in corporate office in Motherson Auto Ltd.;
- (iv) Director, CEO/COOs of Subsidiaries and Joint Ventures Company;
- (v) Any employees designated by the Company to whom these trading restrictions shall be applicable.

The provisions applicable to Officers and Designated Employees shall also be applicable to their dependents family member, which for this purpose means dependent children under the age of 21 years, spouse and any other person(s) dependent on the Officers and Designated Employees.

Connected Persons- any person who is a Director or deemed to be a director or occupies the position as an officer or any employee of the Company whether temporary or permanent or holds a position involving a professional or business relationship between himself and the Company whether temporary or permanent and who may reasonably be expected to have an access to unpublished price sensitive information in relation to the Company.

Price Sensitive Information means any information, which relates directly or indirectly to a company and which if, published is likely to materially affect the price of securities of Company.

Compliance Officer

- a. The Company has appointed Company Secretary as Compliance Officer to deal with the above.
- b. The compliance officer shall be responsible for setting forth procedures, monitoring adherence to the rules for the preservation of "Price Sensitive Information", pre-clearing of designated employees' and their dependents' trades (directly or through respective department heads), monitoring of trades and the

implementation of the code of conduct under the overall supervision of the Board of the Company.

- c. The compliance officer shall maintain a record of the designated employees and any changes made in the list of designated employees.
- d. The compliance officer shall assist employees in providing any clarifications regarding the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Company's code of conduct.
- e. The compliance officer shall also implement and oversee the code of corporate disclosure practices for the prevention of Insider Trading under SEBI (Prevention of Insider Trading) Regulations, 1992.
- f. The compliance officer shall obtain declaration/disclosures on continual basis from any person who holds more than 5% shares or voting rights giving details of the number of shares held and change in shareholding even if falling below 5% and where such change exceeds 2% of total shareholding or voting rights in the Company from the last disclosure or such limits as may be prescribed by the Securities Exchange Board of India (SEBI) from time to time.
- g. The compliance officer shall obtain disclosures on a continual basis, from the Directors, Designated Officers and others giving details of the number of shares held and changes in shareholding or voting rights, if there has been a change from the last disclosures made in such holdings of exceeding Rs.5 (Five) lacs in value or 25000 shares or 1% of the total shareholding or voting rights whichever is lower or such limits as may be prescribed by the Securities Exchange Board of India (SEBI) from time to time.

Dealing in the securities of the Company by the designated employees:

- a. All Directors, Designated Officers and others shall maintain the confidentiality of all Price Sensitive Information. Directors, Designated Officers and others shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.
- b. Unpublished Price Sensitive Information is to be handled on a "need to know" basis, i.e., Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
- c. Files containing confidential report/information shall be kept secure. Computer files must have adequate security of login and password etc.

Prevention of misuse of "Price Sensitive Information"

- a. All the Directors, Designated Officers and others who have got access to price sensitive information as enumerated below shall be subject to trading restrictions for the period as stated hereinafter:-

- i.) Declaration of Financial Results (Quarterly, half-yearly and Annual).
 - ii.) Declaration of Dividends (Interim and final)
 - iii.) Issue of Securities by way of public/rights/bonus etc.
 - iv.) Any major expansion/diversification plans or execution of new projects
 - v.) Amalgamation, mergers, takeovers and buy back.
 - vi.) Disposal of whole or substantially the whole of the undertaking.
 - vii.) Any changes in policies, plans or operations of the Company
- b. (i) The trading window shall remain closed for 7 days prior and 24 hours after the date of the meeting in which, to the happening of any of the above (i to vii) events.
- (ii) Apart from the aforesaid closure of the Trading Window for a period of 7 days, the Compliance Officer (in consultation with the management) shall intimate a longer period of closure of Trading Window for the above on a case to case basis after taking into account the sensitivity of the event/ case. However, The Trading Window shall be opened 24 hours after the information is made public.
- All the Directors, Designated Officers and others are forbidden from dealing in the Company's securities during the aforesaid closing period of the trading window.
- c. In case of Employees Stock Option Proposals (ESOPs), exercise of option may be allowed in the period when the Trading Window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when the Trading Window is closed.

Pre-clearance of trades

All Directors, Designated Officers and others who intend to deal over 10000 equity shares of the company should pre-clear the transactions as per the pre-dealing procedure as described hereunder:

- i) An application is to be made in the prescribed form to the Compliance Officer indicating, *inter-alia* the estimated number of securities that the Directors, Designated Officers and others intends to deal in, the details as to the depository with which he has an account, the details as to securities in such depository mode and such other details as may be required in this behalf.
- ii) An undertaking is to be executed in favour of the Company by such Directors, Designated Officers and others incorporating, *inter-alia* the following clauses:
 - (a) That the Directors, Designated Officers and others does not have any access or has not received "Price Sensitive Information" up to the time of signing the undertaking.
 - (b) That in case the Directors, Designated Officers and others has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his position and that he/she would

completely refrain from dealing in the securities of the Company till the time such information becomes public.

(c) That he/she has not contravened the code of conduct for prevention of insider trading as notified from time to time.

(d) That he/she has made a full and true disclosure in the matter.

iii. Other Restrictions

a. All Directors, Designated Officers and others shall execute their buy or sell order in respect of securities of the Company within one week after the approval of pre clearance is given. If the order is not executed within one week after the approval is given, the Directors, Designated Officers and others must pre clear the transaction again.

b. All Directors, Designated Officers and others who buy or sell any number of shares of the company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next 6 (six) months following the prior transaction.

In the case of subscription in the primary market (Initial Public Offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.

c. In case the sale of securities is necessitated by personal emergency, the compliance officer may waive the holding period after recording in writing his/her reasons in this regard.

Reporting requirements for transactions in securities

a. All Directors, Designated Officers and others shall be required to forward following details of their securities transactions including the statement of dependant family members to the compliance officer.

i) All holdings in securities of the Company by Directors, Designated Officers and employees at the time of joining the Company.

ii) Annual statement of all holdings in securities.

b. The Compliance officer shall maintain records of all the declarations in the appropriate form given by the Directors, Designated Officers and others for a minimum period of three years.

c. The Compliance officer shall place before the Chief Executive Officer of the Company, on a periodically basis all the details of the dealings in the securities by Directors, Designated Officers and others and their accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

Penalty for contravention of code of conduct

- a. Any Directors, Designated Officers and others who trades in securities or communicates any information for trading in securities, in contravention of the code of conduct may be penalized and appropriate action may be taken by the Company.
- b. Directors, Designated Officers and others who violate the code of conduct shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans etc.
- c. 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.

Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992

In case, it is observed by the Company/Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 1992, SEBI shall be informed by the Company.

Power to amend the Code of Conduct

The Board shall have absolute power to amend, modify, rescind and/or substitute this Code of Conduct and shall also have the powers to remove difficulty or settle any question that may arise under this Code of Conduct or any re-enactment thereof.

INITIAL DISCLOSURE OF DETAILS OF SHARES HELD BY SUBSTANTIAL SHAREHOLDERS/DIRECTOR/DESIGNATED EMPLOYEES

To

The Compliance Officer
Motherson Sumi Systems Limited
NEW DELHI

I. Details of Shareholding of Substantial Shareholders/Director/Officer/Designated Employees:

Name	Designation	Deptt.	Date of becoming substantial shareholders/Directors/Officer	No. of shares held as on _____	Date of Acquisition	Folio No./DP ID/ Client ID

II. Details of Shares held by Dependent Family Members:

Name	Relationship	No. of Shares held	Folio No./DP ID/ Client ID

Signature : _____
Name ()

ANNUAL DISCLOSURE OF SHAREHOLDINGS OF DIRECTORS/OFFICERS/
DESIGNATED EMPLOYEES AND SHARES HELD BY FAMILY MEMBERS.

Date :

To,

The Compliance Officer
Motherson Sumi Systems Ltd.
New Delhi

I. ANNUAL DISCLOSURE OF SHAREHOLDINGS OF DIRECTORS/OFFICERS/
DESIGNATED EMPLOYEES

Name	Designation	Department	No. of Shares held on (beginning of the fin. year)	No. of Shares bought during the year	No. of Shares sold during the year	No. of Shares held on (closing of the fin. year)	Folio No./DP ID/Client ID

II. DETAILS OF SHARES HELD BY DEPENDENT FAMILY MEMBERS

Name	Relationship	No. of Shares held on (beginning of the fin. year)	No. of Shares bought during the year	No. of Shares sold during the year	No. of Shares held on (closing of the fin. year)	Folio No./DP ID/Client ID

I declare that the above disclosure is true and correct and is in accordance with previous disclosures given to the Company.

Signature :

Name (_____)

Intimation and Application for pre-clearance of trades to deal over 10000 equity shares

Dated :

The Compliance Officer,
Motherson Sumi Systems Limited,
New Delhi.

Dear Sir,

Sub :- PRE-CLEARANCE OF TRADES

I/My dependent family members Mr./Ms..... intend to deal in equity shares of the company for which purpose I / on behalf of my dependent family members request pre-clearance of the trade.

The particulars of intended trade are as under :

Sr. No.	Details of the proposed Trade	Information provided by Declarant
01	Number of shares proposed to be traded	
02	Demat A/c details	DP I.D. Client I.D.
03	Nature of Trade	Buy / Sale
04	The trade is proposed to be carried out by	Myself / My dependent family member
05	My / My dependent family members current holding	

My undertaking for the purpose of pre-clearance is enclosed. This is to request you to pre-clear the proposed trade.

I/My dependent family member is aware that I/we have to execute the order in respect of securities of the company within one week after the approval of pre-clearance is given.

If the order is not executed within one week after the approval is given, I/We would have to pre-clear the transaction again.

Thanking You,

(SIGNATURE)

Name :

Designation:

UNDERTAKING

To,
The Compliance Officer,
Motherson Sumi Systems Limited,
New Delhi.

Dear Sir,

I _____, designated as _____ in Motherson Sumi Systems Limited (hereinafter referred to as "the Company") hereby undertake and solemnly affirm the following :

- (a) That I / We do not have any access or has not received any Price Sensitive Information up to the time of signing this undertaking.
- (b) That in case I/We get access to or receives any Price Sensitive Information after the signing of this undertaking but before the execution of the transaction I/We shall inform the Compliance Officer of the change in my / our position and that I/We would completely refrain from dealing in the securities of the company till the time such information becomes public.
- (c) That I/We have not contravened the code of conduct for prevention of insider trading as notified by the company from time to time.
- (d) That I/we have made a full and true disclosure in the matter.

Signature _____
Name (_____)

Date :
Place :