

ABB INDIA LIMITED

**CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING
AND
CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE
OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

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ABB INDIA LIMITED

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING IN SECURITIES OF THE COMPANY

[Under Regulation 9(1) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015]

INTRODUCTION:

The Securities and Exchange Board of India (“SEBI”) has, in order to protect the interests of investors in general and to put in place a framework for prohibition of insider trading in securities of a company and to strengthen the legal framework thereof, issued the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“**the Regulations**”) pursuant to the powers conferred on it under section 30 of the Securities and Exchange Board of India Act, 1992 (“**SEBI Act**”). The Regulations came into force with effect from 15th May 2015 and the same are applicable to all companies whose shares are listed on any recognized stock exchange.

The Regulations provide that every listed company shall frame (a) Code of Conduct, to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons and (b) Code of Practices and Procedures for fair disclosure of unpublished price sensitive information (UPSI), towards achieving compliance with the Regulations. The Regulations further states that when a person who has traded in securities of the Company has been in possession of UPSI, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

This document embodies (a) the Code of Conduct for regulating, monitoring and reporting of trades by designated persons and immediate relatives of designated persons of ABB India Limited (“**Company**” / “**ABB**”) and (b) the Code of practices and procedures for fair disclosure of unpublished price sensitive information, as provided under the Regulations. Trading by all Designated Persons and Immediate Relatives of Designated Persons, as defined in the Code shall be governed by this Code.

This Code shall supersede the existing ABB Code for prevention of Insider Trading, which was adopted earlier by the Company, pursuant to the requirements of Regulation 12(1) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, which has now been repealed by SEBI.

PURPOSE AND APPLICABILITY

The Company endeavors to preserve the confidentiality of UPSI and to prevent misuse of such information. ABB is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every promoter, director, designated person and employee who deals with UPSI has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at ABB. There shall be no selective disclosure of information and the Company, every promoter, director, designated person and employee of ABB shall endeavor to ensure equal accessibility of information to all the stakeholders associated with the Company and shall not use his or her position or knowledge of the information to gain personal benefit or to provide benefit to any third party. All information shall be handled within ABB on a need-to-know basis and no UPSI shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

Few key obligations stipulated under the SEBI PIT Regulations are a) the timely identification of information, which is in the nature of UPSI, b) ensuring that the sharing and reporting of UPSI is in line with the prescribed guidelines, and c) ensuring that all trading in the securities of the company is undertaken strictly in compliance with the SEBI PIT Regulations.

The Code is applicable to all Directors / Designated Persons and, to the extent specified, to their Immediate Relatives. As and when any person has been identified as the "Designated Person", a communication in this regard will be sent to the concerned Designated Person. In case a Director / Designated Person holds Securities jointly with any other person, related or not, such holding will be considered as the holding of the Director / Designated Person. Accordingly, all the provisions of the Code shall be applicable in totality. The company has disseminated internally, a set of FAQs in accordance with this Code and SEBI PIT Regulations, for easy reference of employees covered under the Code.

1. Definitions

In this Code, unless the context otherwise requires, the following words, expression and derivations therefrom shall have the meanings assigned to them, as under:

- (a) "**Act**" means the Securities and Exchange Board of India Act, 1992 and includes any statutory modifications or amendments thereto from time to time in force.
- (b) "**Audit Committee**" means the audit committee of the Board;
- (c) "**Board**" means the Board of Directors of the Company.
- (d) "**Code**" or "**This Code**" means this Code of Conduct for regulating, monitoring and reporting of trades in the securities of the Company under the Regulations, and any modifications /amendments made thereto from time to time.
- (e) "**Chinese Walls**" shall have the meaning assigned thereto in paragraph 9 of this Code.
- (f) "**Chief Investor Relations Officer**" shall have the meaning assigned to it in paragraph 1(a) of the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.
- (g) "**Company**" means ABB India Limited.
- (h) "**Companies Act**" means the Companies Act, 2013 and the rules made thereunder and shall include any modifications or amendments thereto from time to time in force.
- (i) "**Compliance Officer**" means any senior officer so designated and reporting to the Board, who is financially literate 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 Unpublished Price Sensitive Information,

monitoring of trades and implementation of the codes specified under the Regulations under the overall supervision of the Board.

Note - For the purpose of this definition, the term “financially literate” shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, statement of profit and loss and statement of cash flows.

(j) **Connected Person**” means

(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 Unpublished Price Sensitive Information 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 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
- 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; or
- h) an official or an employee of a self-regulatory organization recognized or authorized by the Board; 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 the Company or his immediate relative Immediate Relative or banker of the Company, has more than ten per cent, of the holding or interest.

(k) **“Contra Trade”** shall have the meaning assigned to it in paragraph 8(i) of this Code.

(l) **“Designated Persons”** means: such persons specified by the Board in consultation with the Compliance Officer to be “Designated Persons” for coverage under the Code, on the basis of their role and function in the Company and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation and shall include:

- a) Local business division heads of the Company;
- b) Company Secretary and employees in Company Secretarial function;
- c) Secretaries/Assistants to Local business division heads;
- d) Key employees in Corporate Finance function who would on the basis of their

role and function in the Company directly or indirectly have or may reasonably be expected to have access to Unpublished Price Sensitive Information and Key employees in Corporate Communication function who would on the basis of their role and function in the Company directly or indirectly have or may reasonably be expected to have access to Unpublished Price Sensitive Information. The Compliance Officer in consultation with the Managing Director may modify the list of employees as and when changes occur;

- e) Employees up to two levels below the Chief Executive Officer/ Managing Director of the Company and its material subsidiaries;
 - f) Key employees of the Company and its material subsidiaries;
 - g) All promoters and members of the promoter group of the Company;
 - h) Such other persons as may be identified from time to time, including support staff (such as IT, Legal, finance, accounts, secretarial, corporate communications, internal audit etc.) who may have access to unpublished price sensitive information;
 - i) Statutory Auditors i.e. signing Partner and others who are involved in assurance assignment with the Company's financial results/accounts;
 - j) Any person designated as such by the Compliance Officer from time to time in consultation with the Managing Director in line with the objectives of the Code.
- (m) "**Director**" means a member of the Board
- (n) "**Employee**" means every employee of the Company, including the Directors who are in employment of the Company.
- (o) "**ESOP**" shall have the meaning assigned to it in paragraph 6(e) of this Code.
- (p) "**Generally Available Information**" means information that is available/accessible to the public on a non-discriminatory basis. In this regard, information published on the website of the stock exchanges where the equity shares of the Company are listed as well as on the website of the Company would ordinarily be treated as generally available.
- (q) "**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 – This is to clarify that "spouse" of a person is presumed to be an "Insider" even if he or she is not dependent financially on such person or does not consult such person in taking decisions relating to trading in Securities,
- (r) "**Informant**" shall have the meaning assigned to it under the Regulations or any statutory modification thereof for the time being in force.
- (s) "**Insider**" shall have the meaning assigned to under Regulation 2(g) of the Regulations
- (t) "**Insider Areas**" and "**Public Areas**" shall have the meanings respectively assigned to them in paragraph 9(b) of this Code.
- (u) "**Key Managerial Personnel (KMP)**" means a person as defined so under Section 2(51) of the Companies Act including any amendment or modification made thereto.
- (v) "**Legitimate Purpose**" shall include sharing of the UPSI in relation to the following:

- (i) sharing of information in the ordinary course of business;
- (ii) sharing of information in performance of duty(ies);
- (iii) sharing of information in discharge of legal obligation(s);
- (iv) sharing of information upon a, subpoena, direction or order of a court or tribunal of competent jurisdiction;
- (v) sharing of information pursuant to any requirement of legal process, regulation or governmental order, decree in compliance with applicable laws, rules or regulations;
- (vi) sharing of information with auditors viz. internal auditors, statutory auditors, cost auditors, tax auditors or secretarial auditors in relation to audit or for obtaining any certifications or any other services
- (vii) sharing the information with partners, customers, collaborators and suppliers on a "need to know basis" for entering into contracts or other business prospects which necessitates the same;
- (viii) sharing of information for the purposes of obtaining regulatory licenses and approvals;
- (ix) sharing of information for the purpose of obtaining various credit facilities or loans, giving guarantees or providing security from/to banks, financial institutions or other lenders;
- (x) sharing of information with merchant bankers including their counsels and advisors in relation to issue of any Securities.
- (xi) sharing of information with legal advisors or counsel on a "need to know basis" in relation to any litigation, representations or registering of any intellectual property rights or in relation to obtaining any opinion or advisory services.;
- (xii) sharing of information with consultants on a "need to know basis" in relation to obtaining any opinion or advisory services;
- (xiii) sharing of information with insolvency professionals or other advisors or consultants on a "need to know basis" in any other important matters of the Company; and
- (xiv) sharing of information arising out of business requirements such as acquisitions, mergers, divestments, rights issue or any other transaction(s)/ corporate action(s) where an insider (s) needs to share information with the promoters /controlling shareholders or other persons for the implementation of transaction.
- (xv) possible investment/disinvestment in a new venture/existing undertaking;
- (xvi) any event or information as prescribed under Part A of Schedule III under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time; and
- (xvii) any other purpose as the Board may determine for sharing of information on a "need to know basis" depending upon the transaction.

Provided that, sharing of Unpublished Price Sensitive Information as aforesaid shall not be carried out to evade or circumvent the prohibitions laid down under the Regulations.

- (w) **Material Financial Relationship** – means a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a Director / Designated Person during the immediately preceding 12 (twelve) months, equivalent to at-least 25% of the annual income of such Director / Designated Person but shall exclude relationships in which payments are made on arms' length transactions.
- (x) **"Need to know"** means Price Sensitive Information 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.
- (y) **"Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or

any statutory modification thereof for the time being and from time to time in force.

- (z) **"Promoter Group"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any statutory modification thereof for the time being and from time to time in force.
- (aa) **"Regulations/SEBI PIT Regulations"** shall mean The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 as amended from time to time.
- (bb) **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof for the time being and from time to time in force, except units of a mutual fund.
- (cc) **"Stock Exchange"** means BSE Limited and National Stock Exchange of India Limited.
- (dd) **"Specified"** means specified by SEBI, in writing.
- (ee) **"Takeover Regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any modifications or amendments thereto for the time being in force;
- (ff) **"Trade"** or **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities of the Company and 'trade' shall be construed accordingly.
- (gg) **"Trading Day"** means a day on which the recognized stock exchanges are open for trading;
- (hh) **"Trading Plan"** shall mean a trading plan formulated by an Insider and presented to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on behalf of the Insider in accordance with such plan. The Trading Plan shall comply with the requirement of paragraph 12 (b);
- (ii) **"Trading Window"** shall have the meaning assigned to it in paragraph 7(a) of this Code;
- (jj) **"Unpublished Price Sensitive Information" (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 include, without restriction, information relating to the following:
 - i. financial results;
 - ii. dividends;
 - iii. issue of securities or buy-back of securities;
 - iv. change in capital structure;
 - v. mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and
 - vi. changes in KMP;

In case of any doubt whether any information is in the nature of UPSI, please consult with the Compliance Officer of the Company.

- (kk) **"Voluntary Information Disclosure Form"** shall have the meaning assigned to it under the Regulations or any statutory modification thereof for the time being and from

time to time in force.

Words importing the singular number shall include the plural number and vice versa.

Words importing the masculine gender shall include the feminine gender and vice versa.

Words and expressions used in this Code but not defined herein shall have the meanings respectively assigned to them under the Regulations, Securities and Exchange Board of India Act, 1992 for the time being and from time to time in force, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act 2013, for the time being and from time to time in force.

2. Powers, Duties and Responsibilities of the Compliance Officer

- (a) The Company has appointed the person holding the position of **Company Secretary**, as the Compliance Officer for the purposes of this Code and the Regulations. The Compliance Officer shall make best endeavours to ensure compliance with and effectively implement the Code under the overall supervision of the Board.
- (b) The Compliance Officer shall be responsible for:
 - (i) setting forth policies in consultation with the Chairman / Managing Director;
 - (ii) prescribing procedures in connection with the Code;
 - (iii) monitoring adherence to the rules specified in the Code for the preservation of Unpublished Price Sensitive Information;
 - (iv) monitoring trades of Designated Persons and their Immediate Relatives;
 - (v) pre-clearing approvals, either directly or through heads of various departments as decided by the Board, to dealings in the Company's Securities by the Designated Persons and Dependent and monitoring of such dealings;
 - (vi) implementation of this Code under the overall supervision of the Board.
- (c) The Compliance Officer shall report to the Board and in particular, shall provide reports to the Chairman of the Audit Committee or to the Chairman of the Board, regarding details of pre-clearances granted and trades undertaken pursuant to the said pre-clearances, by Directors / Designated Persons on a quarterly basis
- (d) The Compliance Officer shall maintain a record of all the Designated Persons (either manually or in the electronic form) and also, changes to the list from time to time.
- (e) The Compliance Officer shall maintain records of all declarations and disclosures received by him under the Code for a minimum period of five (5) years.
- (f) The Compliance Officer shall be responsible for the approval of Trading Plans. The Compliance Officer shall also be responsible for notifying the Trading Plans to the stock exchanges on which Securities are listed
- (g) The Compliance Officer shall be responsible for the closure of the Trading Window and maintain a record of the Trading Window closures from time to time.
- (h) The trading window shall be closed when the Compliance Officer determines that a proposed mandated disclosures under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 may constitute UPSI.
- (i) The Compliance Officer shall assist all Designated Persons by addressing any clarifications regarding the Regulations and this Code.

3. **Responsibilities of Designated Persons and Immediate Relatives of Designated Persons**

(a) **Identification of UPSI:** The Designated Persons should reconfirm the below criteria before identifying any information as UPSI:

- The information relates to the Company or its securities.
- The information is not available to the general public yet.
- If the information becomes public, it will “materially” affect the price of the securities.

Some examples of information that could potentially be treated as UPSI include new product launches, receipt of large business orders which are not in the ordinary course of business, arrangements for strategic, technical, manufacturing or marketing tie-ups, mergers, de-mergers, acquisitions, disposals, business expansions, material regulatory approvals, high value R&D plans etc.

Before concluding whether any new information represents UPSI, the DPs shall consult with Key Managerial Personnel (KMP) of the Company. KMP of the Company shall mean the Managing Director (MD), Chief Financial Officer (CFO) and Company Secretary (CS).

(b) **Preservation of Unpublished Price Sensitive Information:** The Designated Persons and Immediate Relatives of Designated Persons shall maintain confidentiality of all Unpublished Price Sensitive Information and shall not communicate, provide, or allow access to any Unpublished Price Sensitive Information relating to the Company, to any person including other insiders except where such communication is in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations.

(c) Designated Persons should record the details of persons with whom UPSI is to be shared, in the Structural Digital Database tool (“Insider Trading tool”) prior to sharing of such information internally/externally.

(d) **Need to know:** All Unpublished Price Sensitive Information shall be handled within the Company on a need-to-know basis and Designated Persons and Immediate Relatives of Designated Persons, who are reasonably expected to have access to Unpublished Price Sensitive Information or who have received or have had access to such information, shall handle the same on a “**need to know**” basis. Unpublished Price Sensitive Information shall be disclosed only to those persons within the Company who need such information in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations.

(e) **Limited access to confidential information:** Designated Persons and Immediate Relatives of Designated Persons, who are reasonably expected to have access to Unpublished Price Sensitive Information or who have received or have had access to such information, shall ensure that :

- (i) files containing Unpublished Price Sensitive Information are kept secure;
- (ii) computer files have adequate security of login through a password; and
- (iii) follow the guidelines for maintenance of electronic records and systems as prescribed within the Company from time to time in consultation with the person in charge of the information technology function.

(f) Upon resignation, superannuation, or termination from the Company, a Designated Person shall remain subject to the provisions of the Code for a period of six months following cessation, as long as they possess UPSI.

(g) Communication to Media / Public : The Chief Investor Relations Officer shall be consulted in advance, before any communication is made to the media / public on behalf the Company, which may have impact on the price movement in the Company's scrip.

4. Sharing of UPSI pursuant to a Legitimate Purpose

- a) Any person who is in receipt of UPSI pursuant to a Legitimate Purpose shall be considered as an Insider for the purpose of the Code and the Regulations;
- b) the Company shall give due notice to such persons to maintain confidentiality of such UPSI; and
- c) Such person has to ensure compliance with the SEBI PIT Regulations.
- d) Such Persons will be required to enter into confidentiality or non -disclosure agreements.
- e) **Process for how and when people are brought 'inside' on sensitive transactions**
 - i. The Compliance Officer, shall after consulting the Managing Director shall give prior notice and reference / web link to this Code and SEBI PIT Regulations to such person(s) who are brought 'inside' on sensitive transaction(s);
 - ii. Such person(s) shall be made aware about the duties and responsibilities attached to receipt of inside information and liability that attaches to misuse or unwarranted use of such information on case-to-case basis;
 - iii. Notwithstanding anything contained in Clause e(i) and (ii) above and without reliance on the Company and any of its officers, such person(s) shall be required to independently and carefully go through and familiarize themselves with and adhere to the Code and SEBI PIT Regulations and to ensure applicable compliance with this Code and the SEBI PIT Regulations at all time;
 - iv. Confidentiality Agreements or Non-Disclosure Agreements may be signed with such person(s), if it is felt necessary;
 - v. Such person(s) shall be required to complete all the formalities including furnishing declarations / information etc. as applicable in the prescribed time;
 - vi. The person(s) so notified by the Compliance CEO may also cease to be 'inside' on sensitive transactions upon completion of certain business / transaction(s) or change in person(s) status or involvement in such business / transaction(s).; and
 - vii. A list of such person(s) so notified and / or de-notified by the Compliance Officer to be 'inside' on sensitive transaction(s) shall be placed before the Board in its next meeting held post such notification / denotification.

5. Restrictions on Designated Persons and Immediate Relatives of Designated Persons

- (a) No Designated Person and Immediate Relatives of Designated Persons shall –
 - (i) either on his own behalf, or on behalf of any other person, trade when in possession of any Unpublished Price Sensitive Information unless made in accordance with the Trading Plan as enumerated in this Code;
 - (ii) advice any person to trade in the Securities while being in possession, control, or knowledge of Unpublished Price Sensitive Information. For

avoidance of any doubt, it is clarified that “advice” shall mean to include recommendations, communications or counselling.

- (b) Each Designated Person and Immediate Relative of Designated Persons shall ensure that their respective wealth managers, portfolio managers or similar persons do not trade in the Securities of the Company on behalf of any Designated Person or Immediate Relatives of Designated Persons, unless such Designated Person or Immediate Relatives of Designated Persons is permitted to trade in the Securities of the Company in accordance with this Code. A formal communication should be sent by the Designated Persons / their Immediate Relatives, to this effect, to those persons who are trading on their behalf.

6. Trading Window

- (a) Designated Persons may execute trades subject to compliance with the Regulations. Subject to sub-paragraph (b) below, the Compliance Officer may, in consultation with the Board, specify a trading period (hereinafter referred to as “**the Trading Window**”) for dealing in the Securities PROVIDED THAT unless otherwise specified by the Compliance Officer, the Trading Window shall, subject to subparagraph (b) below, remain open for dealing in the Securities.
- (b) Unless otherwise specified by the Compliance Officer, the Trading Window shall be:
 - (i) closed at least 15 days prior to the end of financial year and upto 48 hours after Annual financial results considered and approved by the Board are made public
 - (ii) in addition to above, closed at least 15 days prior to the 1st of April, the 1st of July, the 1st of October and the 1st of January of every year, and until 48 hours after the declaration of the respective quarterly financial results after being considered and approved by the Board and made public.
 - (iii) *inter alia* closed 2 (two) days prior to and 2 days after:
 - any intended announcements regarding amalgamation, mergers, takeovers and buy- back, disposal of whole or substantially whole of the undertaking, issue of Securities by way of public/ rights/bonus etc., any major expansion plans or execution of new projects,
 - any changes in policies, plans or operations of the Company that could have a material impact on its financial performance,
 - declaration of dividend, and
 - such other events as the Compliance Officer may find appropriate
- (c) The Trading Window shall remain closed during the time the Unpublished Price Sensitive Information remains un-published. The Trading Window shall be opened 48 hours after the Unpublished Price Sensitive Information is made public.
- (d) All Designated Persons and their immediate relatives shall conduct, their dealings in the Securities only when the Trading Window is open and no Designated Person or their immediate relatives shall deal in any transaction involving the purchase or sale of the Securities of the Company during the periods when the Trading Window is closed, as referred to in sub-paragraph (b) above, or during any other similar period as may be specified by the Compliance Officer from time- to-time pursuant to sub-paragraph (a) above. It is the duty of the Designated Persons to inform the Immediate Relatives of the closure of the Trading Window and ensure that they do not deal in the Securities of the Company.
- (e) The Designated Persons who participate in the Company's Employee Stock Option Plan (“**ESOP**”), if any, shall not sell the Securities allotted to them on exercise of

their ESOPs when the Trading Window is closed PROVIDED HOWEVER THAT the exercise of Options granted under such ESOPs shall be permitted when the Trading Window is closed.

- (f) In addition to the above, the Compliance Officer may in consultation with the Chairman / Managing Director, declare the Trading Window closed, on an “as needed” basis for any reason.
- (g) Despite the Trading Window being open, Designated Persons would only be allowed to trade subject to the conditions specified in paragraph 9 below and provided that they are not in possession of any Unpublished Price Sensitive Information at the time they carry out the transaction.
- (h) The Company shall ensure that the gap between clearance of accounts by Audit Committee and Board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.
- (i) All Designated Persons and their Immediate Relatives shall not, either directly or through their advisors including investment managers, brokers, or other persons trading for or on behalf of their account, Trade in Securities only when the Trading Window is closed.
- (j) The Trading Window restrictions mentioned above shall not apply in respect of –
 - (A) transactions specified in clauses (i) to (iv) and (vi) of the proviso to sub-regulation (1) of regulation 4 of the SEBI PIT Regulations and in respect of a pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the Compliance Officer and compliance with the respective regulations made by SEBI;
 - (B) transactions which are undertaken in accordance with respective regulations made by SEBI such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by SEBI from time to time.
- (k) Closure of Trading Window may also be made applicable, generally or selectively, by the Compliance Officer to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks etc., assisting or advising the Company from time to time.

7. Pre-Clearance for dealings in securities

- (a) Applicability: Every Designated Person (including the Immediate Relatives) who intends to Trade in the Securities of the Company in a calendar quarter (either in one transaction or in a series of transactions) of a consideration price exceeding Rs. 5 Lakh for the Securities of the Company should obtain a prior approval for the transactions as per the procedure described hereunder. This is a mandatory requirement even when the Trading Window is open. A Designated Person shall apply for pre-clearance only if he/she or his Dependent intends to trade beyond the threshold limits mentioned above. However, pre-clearance of trades shall not be required for a trade executed as per an approved Trading Plan

Any Designated Person (including Dependent) who carries on any transaction or series of transaction to circumvent this paragraph shall be in violation of this Code.

- (b) Pre-dealing Procedure: For the purpose of obtaining a pre-dealing approval, the concerned Designated Person shall make an application in the form specified in **Annexure - 1** hereto to the Compliance Officer, who shall forward a copy of the same to the Managing Director. Such application should be complete and correct in all respects and should be accompanied by (i) an undertaking in the form specified in **Annexure - 2** hereto; and (ii) such other documents as may be prescribed by the Compliance Officer from time-to-time. The application for *pre-clearance with* enclosures shall be sent by the Designated Person through electronic mail to the address trivikram.guda@in.abb.com followed by hard copies of the same.
- (c) The Compliance Officer shall consider the application made as per paragraph 7(b) above and shall convey his approval / rejection to the same through electronic mail and forward a copy of the same to the Managing Director. The Compliance Officer shall be entitled to seek declarations to the effect that the Designated Person applying for pre-clearance is not in possession of any Unpublished Price Sensitive Information. The Compliance Officer shall also have the discretion to assess and decide as to whether such declarations are factually accurate.
- The Compliance Officer shall convey his decision to the Designated Person within 7 Trading Days of receipt of the application. If the Compliance Officer does not respond within 7 Trading Days, it shall be deemed to be a rejection of the application.
- (d) Every such approval shall be issued in the form specified in **Annexure - 3** hereto. Every approval shall be dated and shall be valid for a period of 1 (one) week from the date of approval.
- (e) In the event of absence of the Compliance Officer, the Board may delegate performance of the duties and responsibilities referred to in this paragraph to any head of department of the Company.
- (f) The Trades that have been pre-cleared would need to be executed by the Director / Designated Persons or their Immediate Relatives, within 7 (seven) trading days from the date of pre-clearance, failing which fresh pre-clearance would need to be sought from the Compliance Officer.
- (g) The Director / Designated Person shall file within 2 (two) trading days of the execution of the Trade by the Director / Designated Person or their Immediate Relatives, the details of such Trade, with the Compliance Officer in the format prescribed in **Annexure 4– Reporting / Confirmation of execution of pre-cleared Trade**. In case the transaction is not undertaken, the designated person shall provide a disclosure in the format specified in Annexure 5 to the Compliance Officer with regard to the non-execution of the Trade within 2 (two) trading days from the expiry of 7 (seven) trading days.
- (h) All transactions undertaken by the Compliance Officer shall be pre-cleared by the Managing Director.

8. **Restrictions on opposite transactions and short selling**

Contra Trade

- i. All Designated Persons who buy or sell any number of Securities of the Company shall not enter into an opposite transaction i.e. sell or buy any number of Securities

during the next six months following the prior transaction (“**Contra Trade**”) in the Securities of the Company at any time. The sale of securities acquired pursuant to exercise of stock options will not be treated as contra trade. However, purchase of securities within 6 months of such sale will be treated as contra trade.

- ii. In case the sale of Securities of the Company is necessitated due to personal reasons like marriage or education expenses or due to medical emergencies, the holding period referred to above may be waived by the Compliance Officer after recording the reasons for waiver / relaxation in writing; provided that such relaxation does not violate the Regulations. It may however, be noted that in terms of the Regulations, no such sale will be permitted when the Trading Window is closed. The format for application of waiver of minimum holding period is provided in **Annexure 6** standing the above, if the Director / Designated Person or their Immediate Relatives execute an opposite transaction, inadvertently or otherwise, in violation of the restrictions set out above, the profits from such trade shall be liable to be disgorged for remittance to the Securities and Exchange Board of India (“SEBI”) for credit to the Investor Education and Protection Fund administered by SEBI under the Securities and Exchange Board of India Act, 1992
- iii. It is clarified that restrictions on Contra Trade shall not be applicable for trades carried out in accordance with an approved Trading Plan.

Short Selling

No Designated Person shall directly or indirectly sell any Security if such Designated Person (i) does not own the Security sold; or (2) owns the Security but does not deliver such Security against such sale within the acceptable settlement cycle (“short sale”).

9. Chinese Walls

- (a) While dealing with or handling Unpublished Price Sensitive Information within the Company, the Company shall establish norms for appropriate Chinese Walls procedures and processes for permitting any Designated Person to cross the wall (collectively “**Chinese Walls**”) designed to manage confidential information and prevent the inadvertent spread and misuse of Unpublished Price Sensitive Information, or the appearance thereof.
- (b) Chinese Walls shall be used to separate areas that have access to Unpublished Price Sensitive Information (“Insider Areas”) from those who do not have such access (“Public Areas”) within the Company.
- (c) Where Chinese Walls arrangements are in place Designated Persons working within an Insider Area are prohibited from communicating any confidential or Unpublished Price Sensitive Information to anyone in Public Areas without the prior approval of the Compliance Officer.
- (d) Designated Persons within a Chinese Wall shall ensure the Chinese Wall is not breached deliberately or inadvertently. Known or suspected breaches of the Chinese Wall must be referred to the Compliance Officer immediately.
- (e) A Designated Person may cross the Chinese Wall to enter the Insider Areas only with the prior approval of the Compliance Officer, and shall be subject to all restrictions that apply to such areas.
- (f) The establishment of Chinese Walls does not mean or imply that Unpublished Price Sensitive Information can circulate freely within Insider Areas.
- (g) Appropriate records of all wall crossings will be maintained. Further, the Compliance Officer should be informed of all instances wherein a person has wall-crossed (at the time of such wall – crossing), so as to enable the Compliance Officer to maintain appropriate records in this regard. The Compliance Officer shall duly record reasons for crossing the wall in writing. Such persons shall be made

aware of the duties and responsibilities attached to the receipt of Unpublished Price Sensitive Information, and the liability that attaches to misuse or unwarranted use of such information.

10. Process for bringing persons 'inside' on sensitive transactions

- (a) The Compliance Officer in consultation with Managing Director of the Company shall decide on how and when any person(s) should be brought 'inside' on any proposed or ongoing sensitive transaction(s).
- (b) A person(s) shall be brought inside on any proposed or ongoing sensitive transaction(s) of the Company who may be an existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants. for a Legitimate Purpose.
- (c) Any person(s) who has/have been brought inside on any proposed and/or ongoing sensitive transaction(s) and in receipt of Unpublished Price Sensitive Information shall be considered an "insider" for purposes of this Code and due notice shall be given to such persons:
 - (i) to make aware to such person that the information shared is or would be confidential.
 - (ii) to instruct such person to maintain confidentiality of such Unpublished Price Sensitive Information in compliance with the Regulations; and
 - (iii) to make aware to such person the duties and responsibilities attached to the receipt of such information and the liability attached to misuse or unwarranted use of such information.

11. Trading Plan

- (a) Insiders 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 in accordance with such plan.
- (b) The Trading Plan shall: –
 - (i) not entail commencement of **trading earlier than six (6) months** from the public disclosure of the plan;
 - (ii) not entail trading for the period between **the twentieth (20) Trading Day prior** to the last day of any financial period for which results are required to be announced by the Company and the second trading day after the disclosure of such financial results;
 - (iii) entail trading for a period of **not less than twelve (12) months**;
 - (iv) not entail overlap of any period for which another trading plan is already in existence;
 - (v) 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
 - (vi) not entail trading in securities for market abuse.
- (c) The Compliance Officer upon receipt of such Trading Plan, shall review the same to assess whether the plan would have any potential for violation of the Regulations. The Compliance Officer 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 trading plan. Provided that pre-clearance of trades shall not be required for a trade executed as per an approved Trading Plan. Provided further that Trading Window norms and restrictions on contra trade shall

not be applicable for trades carried out in accordance with an approved Trading Plan.

- (d) The Compliance officer shall endeavor to approve the Trading Plan within seven(7) working days of its receipt together with necessary undertakings and declarations.
- (e) The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the Trading Plan.
- (f) The implementation of the Trading Plan shall not be commenced if any Unpublished Price Sensitive Information in possession of the Designated Person / at the time of its formulation has not become generally available at the time of the commencement of implementation and in such an event, the Compliance Officer shall confirm that the commencement ought to be deferred until such Unpublished Price Sensitive Information becomes generally available information so as to avoid violation of the Regulations.
- (g) Upon approval of the Trading Plan, the Compliance Officer shall notify it to the stock exchanges on which the Securities of the Company are listed.
- (h) In case of a Trading Plan by the Compliance Officer, the Trading Plan shall be presented to the Managing Director for approval.

12. Disclosure of Interest and Declaration by Designated Persons

(a) Initial Disclosure

- Every Promoter, member of Promoter Group, Director, KMP and all Designated Persons shall disclose his / her holding of Securities of the Company as on 15th May 2015, within thirty (30) days thereafter as per **Form – A**.
- Every person on appointment as a Director or KMP of the Company or upon becoming a Promoter or a member of the Promoter Group shall disclose his / her holding of securities of the Company as on the date of appointment or becoming a Promoter of the Company within seven (7) days of such appointment or becoming a Promoter as per **Form – B**.

(b) Continual Disclosure

- Every Promoter, member of the Promoter Group and Designated Person shall disclose to the Company the number of the Securities of the Company acquired or disposed off, within 2 Trading Days of such transactions 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 Lacs or such other value as may be specified as per **Form – C**.
- Additionally, all Designated Persons shall furnish the following declarations, from time to time, as detailed below:
 - (i) all holdings in Securities of the Company by Designated Persons at the time of joining the Company as per **Form – B**.
 - (ii) quarterly statements of any transactions in Securities of the Company (Including trades where pre-clearance is required and those made in accordance with the Trading Plan) as per **Annexure – 7**; and

- (iii) annual statement of all holdings in Securities of the Company as prescribed as per Annexure –7.

Note: The disclosures required to be made by any person under this paragraph shall extend to such person's Dependants or any other person financially dependent on such person or any person who consults with such person while taking trading decisions. Additionally, the disclosures requirements under this paragraph would be required to be made irrespective of the transaction being pre-approved or not.

(c) Disclosures by other Connected Persons

The Company may, at its discretion require any other Connected Person or class of Connected Persons to make disclosures of holdings and trading in securities of the Company in such form and at such frequency as may be determined by the Company in order to monitor compliance with the Regulations as per **Form – D**.

(d) Disclosure by Company to Stock Exchanges

The Company shall notify the particulars of such trading in Securities of the Company to the stock exchanges on which they are listed, within 2 Trading Days of receipt of the disclosure or from becoming aware of such information.

- (e) The Compliance Officer shall maintain records of all the declarations and disclosures in the appropriate form given by the Directors / Designated Persons for a minimum period of 5 (five) years.

13. Other Disclosures by Designated Persons

Designated Persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes in the format specified in Annexure 8.

- (a) Immediate Relatives;
- (b) persons with whom such Designated Person(s) shares a material financial relationship;
- (c) phone, mobile and cell numbers which are used by them.

In addition, the names of educational institutions from which Designated Persons have graduated and names of their past employers shall also be disclosed on a one time basis at the time of joining the Company in Form B.

14. Protection of Informants that submit a Voluntary Information Disclosure Form

- a. The SEBI PIT Regulations have been amended to include Chapter IIIA (containing Regulations 7A to 7M) providing detailed guidelines for a person to voluntarily submit to SEBI a Voluntary Information Disclosure Form relating to an alleged violation of insider trading laws that has occurred, is occurring or has a reasonable belief that it is about to occur, in a manner provided under the SEBI PIT Regulations, regardless of whether such person(s) satisfies the requirements, procedures and conditions to qualify for a reward. For a detailed understanding of the provisions of Chapter IIIA, a reference may be to the SEBI PIT Regulations, however, attention is drawn to the following in particular.

b. Definitions:

'Informant' means an individual(s), who voluntarily submits to SEBI a Voluntary Information Disclosure Form relating to an alleged violation of insider trading laws that has occurred, is occurring or has a reasonable belief that it is about to occur, in a manner provided under these regulations, regardless of whether such individual(s) satisfies the requirements, procedures and conditions to qualify for a reward.

'Reward' means any gratuitous monetary amount for which an Informant is declared eligible as per the provisions of the SEBI PIT Regulations.

'Voluntary Information Disclosure Form' means the form prescribed under Schedule D of the SEBI PIT Regulations to be used by an Informant while submitting Original Information to the Office of Informant Protection of SEBI.

Words and expressions used in this Clause 15 but not defined specifically shall have the same meanings respectively assigned to them in the SEBI PIT Regulations.

c. Any employee who files a Voluntary Information Disclosure Form, irrespective of whether the information is considered or rejected by SEBI or he or she is eligible for a Reward under the SEBI PIT Regulations, shall have suitable protection against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination against, by reason of: (i) filing a Voluntary Information Disclosure Form under the SEBI PIT Regulations; (ii) testifying in, participating in, or otherwise assisting or aiding SEBI in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by SEBI; or (iii) breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from co-operating with SEBI in any manner. For the purpose of this Clause 14, "employee" shall mean any individual who during employment may become privy to information relating to violation of insider trading laws and files a Voluntary Information Disclosure Form under the SEBI PIT Regulations and is a director, partner, regular or contractual employee, but does not include an advocate.

d. Nothing in the SEBI PIT Regulations or this Code shall require the employee to establish that, (i) SEBI has taken up any enforcement action in furtherance of information provided by such person; or (ii) the information provided fulfils the criteria of being considered as an Original Information under the SEBI PIT Regulations.

e. Nothing in the SEBI PIT Regulations or this Code shall prohibit any Informant who believes that he or she has been subject to retaliation or victimization by his or her employer, from approaching the competent court or tribunal for appropriate relief.

f. Notwithstanding anything contained in sub-clause (e) above, nothing in the SEBI PIT Regulations will require SEBI to direct re-instatement or compensation by an employer.

g. Nothing in the SEBI PIT Regulations or this Code shall diminish the rights and privileges of or remedies available to any Informant under any other law in force.

h. Any term in an agreement (oral or written) or this Code, is void in so far as it purports to preclude any person, other than an advocate, from submitting to SEBI information relating to the violation of the securities laws that has occurred, is occurring or has a reasonable belief that it would occur.

i. No employee is under any threat or impeded from communicating with the Board, including due to existence or enforcement of a confidentiality agreement (other than agreements related to legal representations of a client and communications there under) with respect to such communications.

j. No employee is required to notify his / her employer, or any other person of any Voluntary Information Disclosure Form filed with SEBI or to seek its prior permission or consent or guidance of any person engaged by the employer before or after such filing.

k. Nothing in the SEBI PIT Regulations shall be deemed to provide any amnesty or immunity to an Informant for violation of securities law.

15. Code Of Fair Disclosure

The Company has prepared a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' (the "Code of Fair Disclosure") as required by the Regulations. The Code of Fair Disclosure is uploaded on the Company's website (www.abb.co.in).

16. Mechanism for Prevention of Insider Trading

- a. In order to ensure compliance with the requirements given in the Regulations to prevent insider trading, the Managing Director shall put in place adequate and effective system of internal controls as may be stipulated in the Regulations including but not limited to:
- i) Identify all employees having access to UPSI as Designated Persons;
 - ii) Identify all the UPSI and maintain its confidentiality;
 - iii) Impose adequate restrictions on communication or procurement of UPSI;
 - iv) Maintain list of all employees with whom UPSI has been shared and execute Confidentiality Agreement and / or serve notice to such persons for maintaining confidentiality of UPSI;
 - v) Undertake periodic process review to evaluate effectiveness of such internal controls; and
 - vi) Maintain a structured digital database containing the nature of USPI and the names of such persons or entities as the case may be who have shared UPSI and also with whom UPSI is shared along with PAN or any other identifier authorised by law, where PAN is unavailable. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trials to ensure non-tampering of the database. The structured digital database shall be preserved for a period of not less than eight (8) years after completion of the relevant transactions and in the event of receipt of any information from SEBI regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.
- b. The Board shall ensure that the Managing Director ensures compliance with Regulation 9(1) of the Regulations.
- c. The Audit Committee of the Board shall review compliance with the provisions of the Regulations at least once in a financial year and shall verify that the systems for internal controls are adequate and are operating effectively.
- d. Procedures for inquiry in case of leak of unpublished price sensitive information or

suspected leak of unpublished price sensitive information shall be in conformity with the Prevention of Leakage of Information Policy of the Company.

17. Penalty for Contravention

- (a) Every Designated Person shall comply with, and cause his Immediate Relatives to comply with, the provisions of this Code.
- (b) A Designated Person who violates this Code shall, in addition to any other action that may be taken by the Company under law, be subject to appropriate sanctions and disciplinary action by the Company, which may include freezing of wages / salary, recovery, clawback, suspension and termination of employment.
- (c) The action taken by the Company against any Designated Person pursuant to sub- paragraph (b) above shall not preclude SEBI from taking any action for violation of this Code or the Regulations.
- (d) In case it is observed by the Compliance Officer that there has been a violation of this Code by any Designated Person or any Immediate Relative of a Designated Person, the Compliance Officer shall forthwith inform the Board about the violation in the form prescribed by annexure A to the circular issued by SEBI dated July 19, 2019 and as attached hereto as Annexure 6. The Compliance Officer shall also simultaneously inform SEBI about such violation.
- (e) The Company shall maintain a database of the violation of code of conduct by designated persons and Immediate Relatives of Designated Persons that would entail initiation of appropriate action against them.

18. Clarifications

For any queries concerning this Code, the Designated Persons may contact the Compliance Officer.

19. Amendments

The Board may, at any time, modify, alter or amend the provisions of this Code by giving notice of such modification, alteration or amendment to the Designated Persons.

20. Others

- (a) Any two Directors and the Compliance Officer are authorized to make minor modifications to this Code which would remove ambiguities, enhance clarity on the provisions of the Code etc. However, any major modification to the Code will require authorization by the Board.
- (b) Where the Company engages a service provider who is a Connected Person, the head of the department of the Company which engages such Connected Person is responsible for communicating the requirements of this Code to such Connected Person & verify whether such Connected Person has a similar code of conduct applicable to its employees to prevent such persons from misusing Unpublished Price Sensitive Information of the Company , as well as the efficacy of implementation of such code by those Connected Persons.

21. Disclaimer

The Code is the internal policy of the Company to prevent Designated Persons and Immediate Relatives of Designated Persons from engaging in insider trading. It is however the responsibility of each Designated Person and to ensure compliance by it and the Immediate Relatives of designated person with the provisions of this Code or the Regulations and other related laws. The Company or its Board shall not be responsible or liable for any violation or contravention by any Designated Person or Immediate Relatives of Designated Persons, of this Code and the Regulations or other related laws.

In case of a conflict or inconsistency between the provisions of this Code and the Regulations, the Regulations shall supersede and prevail to the exclusion of the conflicting or inconsistent provision.
