

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

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1. INTRODUCTION

1.1. Title

This code shall be known as the “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” (the “Code”).

1.2. Object

This Code has been made pursuant to Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the “Regulations”) and any amendments thereto, to formulate a framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for its debt securities.

1.3. Applicability

This Code shall be applicable to Volkswagen Finance Private Limited with effect from April 01, 2019.

1.4. Definitions

In this Code:

- (a) “Act” means the Securities and Exchange Board of India Act, 1992;
- (b) “Company” shall mean Volkswagen Finance Private Limited;
- (c) “Compliance Officer” shall mean the Company Secretary of the Company, and in his/her absence, any other senior officer designated so and reporting to the Board of Directors as mentioned in the Regulations;
- (d) Chief IRO” shall mean Head of Treasury department or such other person nominated to conduct the functions of Head of Treasury Department;
- (e) “Generally Available Information” means information that is accessible to the public on a non-discriminatory basis, such as information published on the website of the Stock Exchanges. “Generally Available” with respect to information shall be construed accordingly;
- (f) "Insider(s)" means any person who is:
 - i) a connected person; or
 - ii) in possession of or having access to unpublished price sensitive information;

Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of this code and due notice shall be

given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

- (g) “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;
- (h) “Insider Trading Regulations” means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
- (i) “Unpublished Price Sensitive Information” or “UPSI” means any information, relating to the Company or its listed securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the listed securities of the Company and shall, ordinarily include but not restricted to, information relating to the following:
 - (a) financial results;
 - (b) dividends;
 - (c) change in capital structure;
 - (d) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and
 - (e) changes in key managerial personnel
- (j) “MD (Back Office)” shall mean the Managing Director (Back Office) of the Company or such other person, as may be nominated to perform the functions of Managing Director (Back Office);
- (k) “PIT Code” shall mean the Code of Conduct for Prevention of Insider Trading adopted by the Board of Directors of the Company;

Words and terms defined used in this Code and not defined herein, but defined in the Regulations, the PIT Code, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Depositories Act, 1996 or the Companies Act, 2013 including any amendments thereto, shall have the meanings respectively assigned to them in such legislation.

2. POLICY FOR DETERMINATION OF LEGITIMATE PURPOSE

“Legitimate Purpose” shall mean sharing of UPSI in the ordinary course of business by an Insider with the partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, or any other persons provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations. Legitimate purpose shall include following –

1. Fulfilling the contractual, regulatory or legal obligations between Company and other party,
2. certification of creditworthiness of the Company or debt instruments issued by the Company,
3. facilitating due diligence carried out by agencies appointed by lenders or prospective investors,
4. arriving at valuation of the business or assets of the business, procuring business advise or consultancy, filing or defending suits in court or law or other quasi judicial authorities ,

5. obtaining software or manpower support for business operations of the Company

Managing Director shall decide on any other Legitimate purpose for which UPSI may be shared by Insider with any other person.

The information shall be shared with any person on a `need to know` basis. Insiders shall share the UPSI with the external agencies only in the interest of the Company and/or in compliance with the requirements of the law. The agreements entered into involve sharing of UPSI should have a “confidentiality clause” or else a separate Non-Disclosure Agreement shall be executed with parties to safeguard the disclosure of UPSI.

The Company Secretary shall maintain a structured digital database containing the nature of UPSI and the names of such persons who have shared the information and also the names of such persons or entities, as the case may be, with whom UPSI is shared under Regulation 3 along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the database.

The Company Secretary shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings

3. HANDLING AND DISSEMINATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION

3.1. Principles of Fair Disclosure

The Company shall ensure:

- i. Prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- ii. Uniform and universal dissemination of UPSI to avoid selective disclosure.
- iii. Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- iv. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- v. Information shared with analysts and research personnel is not UPSI.
- vi. Developing best practices to ensure official confirmation and documentation of disclosures made to analysts and other investor relations conferences
- vii. Handling of all UPSI on a need-to-know basis.

3.2 Overseeing and Coordinating Disclosure

- i. The Head of Treasury would be the Chief Investor Relations Officer of the Company for the purpose of this Code and the Insider Trading Regulations. The Chief Investor Relations Officer shall deal with dissemination of information and disclosure of UPSI.
- ii. The Chief Investor Relations Officer would be responsible to ensure timely, adequate, uniform and universal dissemination and disclosure of UPSI pursuant to this Code as required under the Insider Trading Regulations so as to avoid selective disclosure.
- iii. The Chief Investor Relations Officer shall be responsible for ensuring that the Company complies with continuous disclosure requirements, overseeing and coordinating disclosure of UPSI to the analysts and shareholders.
- iv. The Chief Investor Relations Officer shall promptly intimate Compliance Officer about the occurrence of the material events in accordance with Part B of the Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for necessary intimation to Stock Exchange.
- v. The Company shall handle UPSI only on a need to know basis. UPSI shall be provided only when needed for legitimate purposes, performance of duties or discharge of legal obligations. All insiders shall adhere to conditions of strict confidentiality and shall not share any UPSI except for the aforesaid purposes.

UPSI about the Company may be disclosed to:

- persons for legitimate business purposes (e.g., attorneys, investment bankers or accountants).
- persons who have expressly agreed in writing to keep the information confidential, such as potential customers, other developers, joint venture partners and vendors, and not to transact in the Company's securities on the basis of such information.

The UPSI shall not be shared unless the name and PAN of such person receiving the information is entered into the digital database maintained by the Compliance Officer. Individuals should be made aware of the duties and responsibilities attached to the receipt of Inside Information, and the liability that attaches to misuse or unwarranted use of such information.

Disclosure/dissemination of UPSI in public domain may normally be approved in advance by the Chief Investor Relations Officer/Compliance Officer. In case of doubt, they shall consult and seek approval of the Managing Director/the Chief Financial Officer of the Company before dissemination of such information.

- vi. If information is accidentally disclosed without prior approval, the person responsible may inform the Compliance Officer immediately. The Compliance Officer will then promptly disseminate the information so as to make such information generally available.

3.3. Public Disclosure of Unpublished Price Sensitive Information

3.3.1 Timing of Disclosure

All Unpublished Price Sensitive Information shall be made public upon the information itself becoming reasonably certain or upon the occurrence of the contemplated transaction to which the information relates becoming reasonably certain, except as allowed otherwise under the Regulations. Upon such reasonable certainty being established, the information shall be made public at the earliest practicable time and in compliance with all prevalent regulations. Where any such contemplated transaction requires authorisation by the Board of Directors, the occurrence of the event shall not be deemed to be reasonably certain unless such authorization has been granted.

3.3.2 Manner of Disclosure

To ensure fair, uniform and universal disclosure, information that is intended to be made generally available shall be reported to the stock exchanges on which the securities of the Company are listed for wide dissemination to investors and members of the exchanges through the websites and /or trading terminals of the stock exchanges before such information is disclosed on any other forum. Upon the information being sent to the stock exchanges, the information shall be deemed to be generally available and shall no longer be treated as Unpublished Price Sensitive Information.

3.3.3 Further Dissemination of Generally Available Information

Once any information is made generally available, the information may be uploaded on the Company's website in a suitable form and may be shared with any person or disseminated using any means without any restriction. It is clarified that the mere changing of the form of the information without affecting its essence shall not result in the information being treated as new information.

3.3.4 Reporting obligation to Volkswagen Financial Services A.G.

Immediately after the disclosure of Unpublished price sensitive information to stock exchanges, the Compliance Team shall intimate the Chief Investor Relations Officer about the same and the Chief Investor Relations Officer is obliged to report the same to Volkswagen Financial Services AG (Treasury/ Head of Debt Capital Markets & Rating) in accordance with IOHB Regulation of "Dealing with Insider Information".

3.4. Responding to requests for information

3.4.1 Requests for information from investors, research analysts, etc.

Any request for information received by the Company from any investor, research analyst, journalist or other member of the public shall be responded to, based on information that is in essence generally available. It is clarified that the sharing with a specific person or persons, of information which about the Company or the industry(ies) that the Company operates in which is general in nature, or any information that is derived from or is a mere elaboration of generally available information and is not inconsistent with

such generally available information, or any information that is not likely to impact the price-discovery process of the Company's securities shall not be treated as selective disclosure by the mere fact of the information not being publicly disseminated earlier in the same form.

3.4.2 Requests for verification of information from regulatory authorities

Any queries on material published in the media or requests for verification of market rumors received from regulatory authorities or stock exchanges shall be responded to promptly and in a manner that is not misleading.

3.5. Access to Conference Calls and Presentation Materials

The Chief IRO shall provide all investors access to any presentation materials used by the Company at any investor conference or analyst meet by placing it on the Company's website.

3.6. Publication of the Code

This Code, upon its adoption by the Board of Directors of the Company, shall be uploaded on the Company's website and any updates hereto shall be promptly reflected on the Company's website.

4. INQUIRY IN CASE OF LEAK OR SUSPECTED LEAK OF PRICE SENSITIVE INFORMATION

4.1 The Board of Directors of the Company on becoming aware of leak of unpublished price sensitive information shall immediately inform SEBI about the same.

In case of suspected leak of unpublished price sensitive information, the Board shall immediately order investigation on veracity, coverage and impact of the leak or suspected leak, either to internal auditor or to external agency and upon confirmation of the fact shall immediately inform SEBI.

4.2 The inquiry of the persons involved shall be carried out as per services rules if they are employees of the organization or in accordance with contractual obligations if they are persons outside the organization. The relevant employees, intermediaries and fiduciaries shall co-operate with the Company in connection with such inquiry.

4.3 The report shall be submitted to the Board of Directors within a month. The Board of Directors may initiate the sanctions and disciplinary actions against the erring employee, including wage freeze, suspension, recovery, clawback etc as they deem appropriate. In case of involvement by employees of intermediaries or fiduciaries, the Board of Directors may take action in the form of termination of contract, legal action, claim for compensation etc. The report along with note from Board of Directors on action taken or proposed to be taken shall be promptly submitted to SEBI Stock Exchange in such form and such manner as may be specified by the Board from time to time.