

# **Hindustan Unilever Limited**

## **Share Dealing Code**

# CONTENTS

1.	Introduction	02
2.	Objective	02
3.	Important Concepts	03
4.	Restriction on All Employees	06
5.	Restriction on Special Employees	07
6.	Formulation of Trading Plan	08
7.	Pre-Clearance Procedure	09
8.	Dealings by Connected Persons and Immediate Relatives	11
9.	Special Employee Acting as Trustee	11
10.	Role of Compliance Officer	12
11.	Preservation of "Price Sensitive Information"	12
12.	Reporting Requirements for Transactions in Securities	13
13.	Non-Compliance of this Code	15
14.	Share Dealing Code Compliance Committee	15
15.	Penalties	16
16.	Enquiries/Consultation	17
	<b>ANNEXURE A</b>	18
	<b>ANNEXURE B</b>	20
	<b>APPENDIX</b>	
	Appendix 1	24
	Appendix 2	25
	Appendix 3	26
	Appendix 4	27
	Appendix 5	28

Note : This Share Dealing Code was approved by the Board of Directors in their meeting held on 31st October 2009 and was modified on 14th December 2012, 8th May, 2015, 9th May 2016, and 18th April, 2019.

## 1. INTRODUCTION

Trading in a Company's shares by insiders, including its Directors or employees or other persons connected or deemed to be connected to the Company while in possession of unpublished price sensitive information, i.e. information that is not generally available to the public, and can materially impact the price of securities is known as 'insider trading'. Such insider trading places the average investor who does not have access to such insider information at a disadvantage. Needless to mention, this kind of profiteering by misusing any material access to confidential information available to such insiders by virtue of their position or connection with a Company, erodes investors' confidence in the integrity of the management of the Company. Thus, such conduct, apart from being unethical and immoral, is also illegal.

The Securities Exchange Board of India ("**SEBI**") has notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("**SEBI Regulations**"), which came into force on 15th May, 2015 and governs the law relating to insider trading in India.

## 2. OBJECTIVE

The objective of this document is to give a basic understanding of the law relating to insider trading and to reiterate the Company's policy and code for dealing in the securities of Hindustan Unilever Limited ("**HUL**" / "**Company**") and its associate companies in India, for the benefit of and compliance by all concerned. It also includes guidance to the Company's Directors and employees on the policy, pre-clearance/notification procedures to be followed at the time of dealing in shares or other securities of the Company and the option of formulation of Trading Plans pursuant to which trades may be carried out in the shares or other securities of the Company ("**HUL Securities**").

This Code places two sets of restrictions, Clause 4 of the Code applies to all HUL employees and seeks to prevent them from dealing in HUL securities when they are in possession of unpublished price sensitive information. Clauses 5, 6 and 7 of the Code apply mainly to Special Employees, as defined under this Code, and prohibit dealings in the shares and other securities of HUL at certain times, imposes a requirement of pre-clearance and sharing of trading plans pursuant to which trades may be carried out, and contains other obligations for Special Employees.

The restrictions in this Code, in certain cases, go beyond strict legal requirements and are intended to preserve the reputation of HUL and the individuals to which the Code applies.

This Code is in addition to the 'Unilever Disclosure and Share Dealing Manual' which applies for dealing in Unilever Securities.

### **3. IMPORTANT CONCEPTS**

#### **A. HUL SECURITIES**

“HUL Securities” means shares, scrips, stock, bonds, debentures, debenture stock and other derivative instruments of HUL, which are listed on stock exchanges.

#### **B. TRADING IN SECURITIES**

“Trading in securities” means and includes an act of subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in any securities. The term “trade” shall be construed accordingly.

For the avoidance of any doubt, it may be noted that dealings by a nominee on behalf of the Special Employee or dealings between Special Employees or off-market dealings or transfers without consideration shall also be constituted as trading for the purposes of this Code.

#### **C. CONNECTED PERSON**

“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) 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 per cent. of the holding or interest.

#### **D. DEPENDANT OR IMMEDIATE RELATIVE**

“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;

#### **E. GENERALLY AVAILABLE INFORMATION**

“Generally Available Information” means information that is accessible to the public on a non-discriminatory basis;

#### **F. INSIDER**

“Insider” means any person (e.g. Individual, Company, Association or Body of Individuals, whether incorporated or not) who:

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

#### **G. KEY MANAGERIAL PERSON**

“Key Managerial Person” means a person as defined in Section 2(51) of the Companies Act, 2013

#### **H. UNPUBLISHED PRICE SENSITIVE INFORMATION**

“Unpublished Price Sensitive Information” means any information, relating to a 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 including but not restricted to, information relating to the following

- i. Financial results
- ii. Dividend
- iii. Change in Capital Structure
- iv. Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions
- v. Changes in key managerial personnel

#### **I. CLOSE PERIOD**

A “Close Period” in relation to a Trading Window, means:

- (i) The period from the end of financial year [31st March] up to the date of

announcement of the unaudited and/or audited annual results and 48 hours thereafter: and

- (ii) The period from the end of each quarter up to the date of the announcement of unaudited quarterly result and 48 hours thereafter.
- (iii) The period which the Compliance Officer determines that a designated person or a class of designated persons can reasonably be expected to have possession of unpublished price sensitive information.

The trading window may be reopened after closure, not earlier than 48 hours after the unpublished price sensitive information in question becomes generally available. Any closure shall be imposed in relation to HUL Securities to which UPSI relates, as applicable.

#### **J. COMPLIANCE OFFICER**

The Company has appointed the Company Secretary, as the Compliance Officer for the purposes of the SEBI Regulations and this Code.

#### **K. SPECIAL EMPLOYEES**

The following categories of employees will be considered as 'Special Employees' for the purposes of this Code:

- (i) Chief Executive Officer and employees upto two levels below Chief Executive Officer of the Company;
- (ii) all management employees at work level 3X and above;
- (iii) all employees in the finance & accounts department of the Company;
- (iv) Executive Assistants/Private Secretaries of Whole-time Directors and Management Committee Members;
- (v) Employees in the IT Department, Corporate Secretarial department who may have access to unpublished price sensitive information as determined by the Compliance Officer;
- (vi) Any other employee who may be notified or advised of his or her categorisation as a Special Employee for the purpose of this Code ;
- (vii) All employees of material subsidiaries of the above level prescribed in clauses (i) to (v) above;
- (viii) All promoters of the Company; and
- (ix) Immediate relatives of employees mentioned in clauses (i) to (viii) above.

Explanation - "Material Subsidiary" shall mean a subsidiary, whose income or net worth exceeds ten percent (10%) of the consolidated income or net worth respectively, of the

Company and its subsidiaries in the immediately preceding accounting year or such other Company determined by the Company as material per its policy on determining material subsidiaries.

Those who are considered to be 'Special Employees' shall be notified to that effect and a copy of this Code will be provided to them. All Special Employees, to whom the Code applies, shall be required to submit a written confirmation regarding receipt of the Code with an undertaking to abide by the requirements of the Code. The said confirmation cum undertaking shall be submitted in the form prescribed in **Appendix 1**.

The Code also applies to all Non-Executive Directors as if they were Special Employees and all provisions of the Code apply for them accordingly.

#### **L. TRADING WINDOW**

“Trading Window” means a notional window used as an instrument of monitoring trading by Special Employees.

#### **M. OTHER WORDS AND EXPRESSIONS**

All words and expressions not defined herein shall have the same meaning as that set out in the SEBI Regulations.

### **4. RESTRICTIONS ON ALL EMPLOYEES**

Employees of the Company should not deal in HUL Securities at any time when he/she is in possession of any unpublished price sensitive information. Employees must also maintain confidentiality of all unpublished price sensitive information and must not pass such information to any person either directly or indirectly except for legitimate purposes and strictly on a need to know basis.

In addition, employees should not deal in the securities of any other listed Company at any time when they are in possession of unpublished price sensitive information in relation to those securities and shall not pass such information to someone else or encourage someone else to trade in such securities at such a time.

Employees ought to note that it is a criminal offence to deal in the securities of any listed Company, directly or indirectly, when in possession of any unpublished price sensitive information in relation to such securities.

## **5. RESTRICTION ON SPECIAL EMPLOYEES**

5.1. Over and above the basic rule applicable to all employees as set out at Clause 4 above, this Code places additional special restrictions on Special Employees from trading in HUL Securities. The Special Employees to whom this Code applies should:

- (i) not deal in HUL Securities during the Close Period
- (ii) always seek pre – clearance for trading in HUL Securities as per the procedure for seeking clearance set out in Clause 7 of this code.
- (iii) not deal in HUL securities based on short term considerations. HUL securities should not be sold by Special Employees within six (6) months of last purchase and any purchase should not be made within six (6) months of last sale. This six (6) months rule may be relaxed in individual cases by the Compliance Officer for reasons to be recorded in writing if such relaxation does not violate the SEBI Regulations. Any request for dispensation should be included in the written notice required under clause 7 of this Code. However, this provision shall not be applicable in case of trades pursuant to exercise of stock options

5.2. Employees are permitted to exercise the stock options granted to them at all times of the year including the time when the trading restrictions are in force. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading window is closed.

5.3. The Company does not encourage the Special Employees to deal in derivatives related to HUL Securities at any time [such as put and/or call options, contracts for differences and other contracts intended to secure a profit or avoid a loss based on fluctuations in the price of HUL securities] because of the speculative nature of such instruments. However, if a Special Employee decides to trade in derivatives he will be under an obligation to abide by the Code and obtain pre- clearance as per clause 7 and consequent to the transaction, make requisite disclosures as per clause 12 of the Code being provided herein.

## **6. FORMULATION OF TRADING PLAN**

This provision intends to give an option to Special Employees who may be perpetually in possession of unpublished price sensitive information and enable them to trade in securities in a compliant manner. This provision enables the formulation of a trading plan by a Special Employee to enable him/her to plan for trades to be executed in the future. By doing so, possession of unpublished price sensitive information when a trade under a trading plan is actually executed would not prohibit the execution of such trades that had been pre-decided even before the unpublished price sensitive information came into being.

- 6.1. Trading Plan: An insider shall be entitled to formulate a trading plan for dealing in securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his/her behalf in accordance with such plan.
- 6.2. Trading Plan shall:
- i. not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
  - ii. not entail trading for the period between the twentieth 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 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 HUL Securities for market abuse.
- 6.3. The Compliance Officer shall review the Trading Plan made as above and shall approve it after reviewing the plan to assess whether the plan would have any potential for violation of SEBI Regulations. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the SEBI Regulations.
- 6.4. However, it is clarified that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan. Further, it is clarified that trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved Trading Plan.
- 6.5. 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 HUL Securities outside the scope of the trading plan.

However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the

commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information.

- 6.6. Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the HUL Securities are listed.

## 7. PRE-CLEARANCE PROCEDURE

- 7.1. Clearance must be obtained in advance for all dealings or trading in HUL Securities by Special Employees. The form to obtain clearance as set out in **Appendix 2** of this Code should be forwarded to Corporate Secretarial Department duly completed, for being considered for recommendation by an appropriate person as set out below who shall further send it to the Compliance officer for approval.

<b>DEALING BY</b>	<b>CLEARANCE BY</b>
Chairman or Chief Executive Officer	Group Chief Executive
Non-Executive Directors	Chairman
Executive Directors (including members of the Management Committee)	Chief Executive Officer
Special Employees other than above	Compliance Officer

It should be noted that the form set out in **Appendix 2** contains an undertaking prescribed by the SEBI Regulations and the employees should consider its full implications before signing the form. The Compliance Officer will endeavor to give clearance within two (2) working days of receiving the request.

Explanation – No Special Employee shall seek to trade during the Close Period or seek pre-clearance with a view to trade during such period. The Company Secretary, is the Compliance Officer for the purposes of the SEBI Regulations and this Code.

The Company may develop an electronic method of administering the process under this Code.

- 7.2. Pre-Clearance to deal in any HUL Securities shall not be given by the Compliance Officer during any of the following periods:
- (i) Close Period
  - (ii) At the time of:
    - (a) intended declaration of interim or final dividend;
    - (b) issue of securities or buyback of securities
    - (c) any major expansion plans or execution of new projects
    - (d) amalgamations, mergers or takeovers
    - (e) disposal of undertakings
    - (f) any significant changes in policies, plans or operations of the Company

- 7.3. Pre- Clearance shall not be given to any Special Employee when who is aware /expected to be aware of one or more of the events mentioned in (ii) above, due to his involvement in the proposed transaction or has been notified by the Compliance Officer to such effect, even though full details may not have been disclosed to him on the principle of 'need to know' basis
- 7.4. Pre- Clearance shall not be given to any Special Employee during any period when there exists any matter which constitutes unpublished price sensitive information in relation to HUL Securities (whether or not the Special Employee has knowledge of such matter) and the proposed dealing would (if permitted) take place after the time when it has become reasonably probable that an announcement will be required in relation to that matter.
- 7.5. Pre- Clearance shall not be given to any Special Employee during any period when the Compliance Officer otherwise has reasons to believe that the proposed dealing is in breach of this Code, or SEBI Regulations

The periods under 7.4 and 7.5 above, shall be determined and communicated by the Compliance Officer when such eventualities arise.

- 7.6. A record of all applications received from Special Employees and all clearances given, shall be maintained by the Compliance Officer. Clearances given by the Compliance Officer will be communicated to concerned Special Employees by returning Part B of the application duly completed.
- 7.7. If clearance is given for any trades by the Compliance Officer, the same should be completed within seven (7) trading days (excluding the day on which clearance is given) from the grant of such clearance. A fresh clearance must be sought if such trades are not completed within such period.
- 7.8. The completion of any trade must be reported to the Compliance Officer by completing **Part C** of the Form given in **Appendix 2** and returning the same within two days of such trade.
- 7.9. Persons to whom this Code applies must keep confidential the fact that they are intending to deal or that they have applied for clearance to deal or the clearance is granted/refused by the Compliance Officer.

## **8. DEALINGS BY CONNECTED PERSONS AND IMMEDIATE RELATIVES**

- 8.1. A Special Employee must (so far as is consistent with his/her duties of confidentiality to HUL Group Companies) seek to prohibit any dealing in HUL Securities by persons connected to him/her or by his/her family members, relatives, stockbrokers or other

associates or acquaintances at a time when Special Employees would be prohibited from trading in HUL Securities under this Code.

8.2. Special Employees must advise all Connected Persons/Immediate Relatives (who are also deemed to be Special Employees under this Code):

- (i) of the fact that they are covered by this Code and that this Code applies to them
- (ii) of the Close Periods during which the connected persons/immediate relatives should not deal in HUL Securities
- (iii) of any other periods when Special Employee knows that he/she himself/herself is not free to deal in HUL Securities under the provisions of this Code, unless his/her duty of confidentiality to HUL/Group Companies prohibits him/her from disclosing such periods
- (iv) that the connected person/Immediate relatives must intimate him/her immediately after they have dealt in HUL Securities.

Special Employees must also take reasonable steps to prevent any dealings by or on behalf of Connected Persons and Dependents in HUL Securities on considerations of a short-term nature.

## **9. SPECIAL EMPLOYEE ACTING AS TRUSTEE**

When a Special Employee acts as a trustee, the provisions of this Code will normally still apply as if he/she is also a beneficiary. This may not be the case if either he/she is only a nominee trustee without any discretion of his/her own or if his/her co-trustees act completely independently of the Special Employee.

## **10. ROLE OF COMPLIANCE OFFICER**

10.1 The Compliance Officer shall, apart from carrying out the duties enshrined hereinabove, report to the Board of Directors of the Company and in particular, provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors, but not less than once in a year.

10.2 The Compliance Officer shall assist all employees in addressing any clarifications regarding the SEBI Regulations and the this Code.

## **11. PRESERVATION OF “PRICE SENSITIVE INFORMATION”**

11.1. No insider in relation to the Company shall communicate, provide, or allow access to any unpublished price sensitive information, relating to the Company or the HUL Securities listed or proposed to be listed, to any person including other insiders except where such

communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

11.2. No insider in relation to the Company shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to the Company or HUL Securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

11.3. All information shall be handled within the Company on a 'need-to-know' basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his/her legal obligations.

11.4. Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" and notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information by the Compliance Officer.

"Legitimate Purpose" shall be determined in accordance with the Code of Fair Disclosure and Conduct, as amended from time to time. The Code of Fair Disclosure and Conduct is annexed herewith as '**Annexure A**' to this Code.

Illustrative Examples of Legitimate Purposes:

- sharing of draft accounts with the statutory auditor
- sharing of information pertaining to Intellectual Property Rights with an attorney etc.

11.5. For the purposes of this clause, 'need to know basis' will mean:

- a. Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their role and perform their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
- b. All non-public information directly received by any employee should immediately be reported to the Compliance Officer.

11.6. The Company shall enter the details of the person or entity with who UPSI is shared under this part in a digital database.

11.7. Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

## 12. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES

### 12.1. Initial Disclosure

Every person on appointment as a Key Managerial Personnel or a Director or being designated as a Special Employee of the Company or upon becoming a promoter or member of the promoter group shall disclose his holding of HUL Securities, including the holding of their Immediate Relatives, and of any other person for whom such person takes trading decisions on the date of appointment or becoming a promoter or member of the promoter group, to the Company within seven days of such appointment or becoming a promoter in the prescribed Form B as set out in **Appendix 3**.

### 12.2. Continual Disclosure

- (i) Every promoter, member of the promoter group, Special Employee and Director of the Company shall disclose to the Company as per **Form C** set out in **Appendix 3**, the number of such securities acquired or disposed of within two trading days of such transaction 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. 10,00,000 (Rs. Ten lakhs). The disclosure shall be made within 2 working days of:
  - (a) the receipt of intimation of allotment of shares, or
  - (b) the acquisition or sale of shares or voting rights, as the case may be
- (ii) Every Promoter, member of the promoter group, Key Managerial Personnel, Director and Special Employee of the Company shall disclose annual statements of their holding, and the holding of their Immediate Relatives and of any other person for whom such person takes trading decisions, of HUL Securities to the Compliance Officer as on 31st March every year in such form and manner set out in **Appendix 4** or as may be prescribed by the Compliance Officer from time-to-time. Such statement shall be submitted on or before 7th April, each year.

### 12.3. Other Disclosures

12.3.1. Every Special Employee shall disclose names and Permanent Account Number (“**PAN**”) or any other identifier authorized by law as may be required of the following persons to the Company on an annual basis and as and when the information changes:

- (i) immediate relatives;
- (ii) persons with whom such Special Employee shares a Material Financial Relationship; and

(iii) phone, mobile and cell numbers which are used by them.

In addition, the names of educational institutions from which Special Employees have graduated and names of their past employers shall also be disclosed on a one time basis.

12.3.2. For the purposes of 12.3. 1., the following persons will be deemed to have a “Material Financial Relationship” with a Special Employee -

- (i) Any person who has received any kind of payment from a Special Employee whether by way of a loan or a gift, other than on an arms-length basis, during the immediate preceding twelve months, where the amount paid by the Special Employee represents 25% or more of the annual income of such Special Employee;
- (ii) Any person who has made a payment to the Special Employee whether by way of a loan or a gift, other than on an arms-length basis, during the immediate preceding twelve months, where the amount paid to the Special Employee represents 25% or more of the annual income of such Special Employee; or

For the purposes of this clause, the “annual income” of the Special Employee shall be determined as being the extant CTC (Cost to Company) of the relevant Special Employee.

#### 12.4. **REPORTING TO THE BOARD**

A quarterly report of the dealings in HUL Securities by or on behalf of any Non-Executive Director or a Special Employee shall be circulated to the members of HUL Board in the quarterly Board Meetings.

### 13. **NON-COMPLIANCE OF THIS CODE**

- a. In respect of any non-compliance of this Code or the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of the Company, the Compliance Officer shall report to the Board and in particular, shall provide reports to the Chairman of the Board at least once every year, or more frequently if so stipulated by the Board, or if the Compliance Officer so considers it necessary.
- b. In addition to the above, the Audit Committee shall review compliance with the provisions of the SEBI Regulations at least once in a financial year and shall verify that the systems for internal controls which are required to be maintained per these Regulations are adequate and are operating effectively.

- c. The Company shall initiate appropriate inquiries on becoming aware of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information in accordance with the policy formulated by the Board of Directors of the Company and inform SEBI promptly of such leaks, inquiries and results of such inquiries.

## **14. SHARE DEALING CODE COMPLIANCE COMMITTEE**

There shall be a Committee called the Share Dealing Code Compliance Committee comprising the Chief Executive Officer, Executive Director, Finance & IT and Chief Financial Officer and Executive Director, Legal & Corporate Affairs and Company Secretary ("**Committee**"). The Committee will concern itself with the establishment and maintenance of disclosures, control of Unpublished Price Sensitive Information alongwith a suitable procedure, protocol for sharing informing which is for legitimate purposes and which is in the best interests of the Company and also with the appropriateness of the disclosures. The Committee shall also decide the suitable actions under Clause 14 of this Code for any breach of the Code. Further, such Committee will also concern itself with any leak/suspected leak of unpublished price sensitive information and inquiries as laid out in the Policy on procedures to be conducted while conducting an inquiry in the event of leak or suspected leak of unpublished price sensitive information. The Policy on 'Procedures To Be Adopted While Conducting an Inquiry in the Event of Leak or Suspected Leak of Unpublished Price Sensitive Information' is annexed as **Annexure B** to this Code.

## **15. PENALTIES**

### **15.1. PENALTIES BY THE COMPANY**

Failure to comply with this Code is a serious disciplinary matter and may also constitute a criminal offence in certain cases.

Any employee who violates the provisions of this Code shall be liable for such penal/disciplinary/remedial action as may be considered appropriate by the 'Share Dealing Code Compliance Committee' as per the sanction framework of the code prescribed in **Appendix 5**.

All Breaches of this Code with actions taken by the 'Share Dealing Code Compliance Committee' shall be reported to the Board of Directors of the Company. In case of any observed violations of the SEBI Regulations, the Board of Directors shall inform SEBI promptly of the same.

The above actions of Company will be without prejudice to any civil or criminal action that the regulatory authorities may initiate against such an employee.

## 15.2. PENALTIES BY THE STATUTORY AUTHORITIES

Under Section 15G of SEBI Act, any insider who indulges in insider trading is liable to a penalty of Rs. 25 crores or three times the amount of profits made out of insider trading, whichever is higher. Under Section 24 of the SEBI Act, any one who contravenes the Insider Trading Regulations is punishable with imprisonment which may extend to ten years, or with fine, which may extend to Rs. 25 crores or with both.

It may also be noted that *mens rea* or criminal intent is not relevant in an offence of insider trading. Whether or not any actual gains were made or losses were avoided out of such deal also has no bearing on the maintainability of the criminal proceedings though depending on the facts of the case, the Court may take these factors into account while deciding the extent of penalty/punishment.

SEBI can also pass directions to an insider found indulging in insider trading, not to deal in the Company's shares in any particular manner or prohibit him from disposing any of the shares acquired in violation of the Regulations and/or restrain him from communicating to or counselling any other person to deal in the Company's shares.

## 16. ENQUIRIES / CONSULTATION

Any person, to whom this Code applies, and who has any doubt as to interpretation of any Clause of the Code, should at all times consult the Compliance Officer. All communications under this Code should be addressed to the Corporate Secretarial Department at Mumbai or to the designated e-mail: [comsec.hul@unilever.com](mailto:comsec.hul@unilever.com).

\*\*\*\*\*

**CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF  
UNPUBLISHED PRICE SENSITIVE INFORMATION**

*[Pursuant to Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015]*

Hindustan Unilever Limited (“**HUL**” / “**Company**”) believes in fair disclosure of all unpublished price sensitive information on a non-discriminatory basis in order to enable fair price discovery in the securities of the Company. In this regard, it is to be noted that Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“**Regulations**”) requires a listed Company to formulate and publish on its official website a “Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information (“**UPSI**”)” in adherence to the principles set out in Schedule A to the said Regulations. HUL believes in fairness of information, uniformity of information and confidentiality of UPSI.

In light thereof, the following is being set out as the “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” which applies to all employees of HUL regardless of whether they are designated as Special Employees for the purposes of the Share dealing code.

- 1) The Company will strive to make prompt public disclosure of UPSI that would impact price discovery, as soon as it has credible and concrete information, in order to make such information ‘generally available’ i.e. to make the information accessible to the public on a non-discriminatory basis.
- 2) The Company will strive to make uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosures.
- 3) The Compliance Officer shall be the Chief Investor Relations Officer entrusted with the administration of this code and must be contacted in case of any queries or uncertainties pertaining to UPSI or of the obligations or directions placed herein
- 4) If any employee(s) ends up disclosing any UPSI selectively, inadvertently or otherwise, such employee must forthwith intimate the Compliance Officer, about the occurrence of such event;
- 5) The Company will strive to make appropriate and fair responses to queries on news reports and requests for verification of market rumors by regulatory authorities.
- 6) The Company shall ensure that information shared with analysts and research personnel is not UPSI. Authorized representatives of the Company shall be present at meetings with analysts, media persons and institutional investors. Unanticipated questions may be taken on notice and a considered response given later. If the answer includes UPSI, a public announcement shall be

made before responding. There shall be simultaneous release of information after every such meet.

- 7) Best practices shall be developed to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the Company's website [www.hul.co.in](http://www.hul.co.in) to ensure official confirmation and documentation of disclosures made. Employee shall handle all UPSI on a need-to-know basis and in furtherance of her role, tasks and duties owed to the organization.
- 8) Therefore, any information which is in the nature of UPSI shared with third parties such as lenders, customers, suppliers, merchant bankers, legal advisors, auditors, or any other counterparty is ought to be done only when the employee is satisfied that such sharing is necessary for 'legitimate purposes' and to carry out their legitimate duties and in proper discharge of their responsibility owed to the organization.
- 9) As an organization, the Company will engage with such counterparties where such communication would be necessary for legitimate purposes bearing in mind the same principle of sharing information on a 'need-to-know basis'. The Company will require any recipient of any information to execute Non-Disclosure Agreements in accordance with extant policy.
- 10) The Company shall enter the details of the person or entity with whom UPSI is shared in a digital database.

\*\*\*\*\*

**POLICY ON PROCEDURES TO BE ADOPTED WHILE CONDUCTING AN INQUIRY IN THE EVENT OF LEAK OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

*(Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015)*

Leak of UPSI distorts this “Policy on procedures to be conducted while conducting an inquiry in the event of leak or suspected leak of unpublished price sensitive information”, as may be amended from time to time (the “Policy”) is approved by the Board of Directors of Hindustan Unilever Limited (the “Company”) on 18th April, 2019. The Policy has been formulated under Regulation 9A(5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (the “Insider Trading Regulations”), with an objective to put in place a framework for inquiry in the event of leak or suspected leak of unpublished price sensitive information.

**DEFINITIONS**

For the purpose of this Policy, unless the context otherwise requires, the following words, expressions and derivations therefrom shall have the meanings assigned to them as under:

“Board of Directors” or “Board” shall mean the Board of Directors of the Company;

“Company” shall mean Hindustan Unilever Limited;

“Insider Trading Regulations” shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;

“Policy” shall mean this “Policy and procedures for inquiry in case of leak or suspected leak of unpublished price sensitive information”, as amended from time to time, formulated under Regulation 9A(5) of the Insider Trading Regulations;

“Unpublished Price Sensitive Information” or “UPSI” shall mean 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 including but not restricted to, information relating to the following:

- financial results;
- dividends;
- change in capital structure;
- mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
- changes in key managerial personnel.

Words and expressions used and not defined herein shall have the meanings assigned to them in the Insider Trading Regulations.

## **INQUIRY COMMITTEE**

The Share Dealing Code Compliance Committee (“hereinafter referred to as Inquiry Committee”) as envisaged under the Share Dealing Code of the Company shall

- deal with any leak of UPSI or suspected leak of UPSI, upon becoming aware of such leak;
- conduct inquiries as laid out in this Policy in case of such leaks or suspected leaks and inform the SEBI of such leaks, inquiries and result of such inquiries.

## **QUORUM OF THE INQUIRY COMMITTEE PROCEEDINGS**

While conducting an inquiry, a minimum of two members of the Inquiry Committee shall be present. The Inquiry Committee may designate additional persons or third parties to also attend and participate in an inquiry conducted by the Inquiry Committee. If a minimum of two members of the Inquiry Committee are not present or not available, or any member of the Inquiry Committee is under investigation, then the Board shall have the power to nominate alternate member(s) in place of the member who is not available or cannot be present to conduct the inquiry.

## **INQUIRY PROCESS**

- Upon receipt of information or upon becoming aware of a leak or suspected leak of UPSI, the Inquiry Committee shall send details of the information to be sought to the head of the relevant department viz., finance, Company secretarial department etc., which had access to the UPSI or to which the UPSI is related (“Relevant Person”). The indicative list of questions and information to be sought from the Relevant Person are given in Annexure to this Policy.
- The Inquiry Committee shall appoint external advisers as consultants as may be necessary to assist them in the inquiry.
- The Inquiry Committee shall separately obtain from the IT department all emails and records of the relevant persons in the department where the leak could have originated.
- The Relevant Person shall file its reply to the information sought by the Inquiry Committee, along with the list of documents, names and addresses of persons with whom the information was shared etc., within the period stipulated by the Inquiry Committee.
- The Inquiry Committee shall also call for a meeting with the Relevant Person.
- The Inquiry Committee shall make transcripts or records of proceedings of meetings with Relevant Persons and ensure that requisite information and documentation is made available to the Board.

- Such Inquiry Committee shall be completed by the Inquiry Committee in a timely manner.
- Thereafter, such action as prescribed under the Share Dealing Code of the Company as well as the Insider Trading Regulations as may be applicable shall be taken.
- During the pendency of the inquiry proceedings, the Inquiry Committee may restrain the Relevant Person from accessing the documents/emails, from which the Inquiry Committee believes, the leak or suspected leak originated.

## **POWERS OF THE INQUIRY COMMITTEE**

- The Inquiry Committee shall have the powers to summon and enforce the attendance of any person and conduct an examination, request the discovery and production of documents and / or any other matter which may be prescribed and deemed necessary for the inquiry process.
- Any refusal by any employee of the Company to attend the inquiry proceedings when summoned or to provide to the Inquiry Committee any documents and / or information within his / her power or possession shall constitute a misconduct, rendering such employee for adverse action as the Inquiry Committee or Board deems fit.
- The Inquiry Committee itself may, suo moto, call for the details of any leak or suspected leak of USPI or upon receipt of any such information, may investigate or deal with such matter per this Policy. The Inquiry Committee may seek information from the IT department for details of the persons accessing personal email id from office computers, from where the USPI may have been leaked.
- The Inquiry Committee shall have the right to terminate the inquiry proceedings or to give an ex-parte decision on the Relevant Person, if the Relevant Person fails, without sufficient cause, to present themselves, for any meeting convened by the Inquiry Committee.

## **AUTHORITY TO MAKE ALTERATIONS**

The Board is authorised to make such alterations to this Policy from time to time as considered appropriate,

The provisions of the Policy have to be read along with the Insider Trading Regulations and if there is any inconsistency/contradiction between the two, the provisions of the Insider Trading Regulations shall prevail.

The indicative list of questions and information to be sought from the Relevant Person are given below:

- Relevant Person to provide details of documents/files/information shared with different team members and also provide details of the medium through which such information was shared i.e. email, common access controlled shared folders, password protected files, etc.
- Relevant Person to provide a detailed timeline from which it was made aware of the UPSI till the date of receipt of notice of information sought from the Inquiry Committee.
- Relevant Person to evaluate role of each and every employee including employee from the support function who were part of the meetings in which UPSI was discussed and whether the Relevant Person noticed any suspicious activity on part of all persons attending these meetings.
- Whether the Relevant Person is aware of any activity of a person in its department who may be involved in the said leak of UPSI.
- Whether adequate safeguards per existing procedures were undertaken by the Relevant Person while dealing with UPSI.
- Whether access to the room where the documents in relation to UPSI were stored, was given to a limited set of authorized personnel.
- Whether the documents in relation to UPSI were disposed of in a proper manner.
- Whether access to the internet/USB drive was provided on computers on which sensitive data regarding UPSI was stored.

\*\*\*\*\*

**HUL SHARE DEALING CODE**  
**CONFIRMATION CUM UNDERTAKING**

**To, Compliance Officer,**

Hindustan Unilever Limited

Name : \_\_\_\_\_  
Employee Id No. : \_\_\_\_\_  
Designation : \_\_\_\_\_  
Unit / Location : \_\_\_\_\_  
Mobile No. : \_\_\_\_\_

I have received the copy of Share Dealing Code of HUL. I have read and understood the requirements of the Code and hereby agree to abide by the same.

I understand that any breach of the Code could lead to monetary/disciplinary action as prescribed under the Share Dealing Code.

Signature:

Date:

\*\*\*\*\*

**HUL SHARE DEALING CODE**

**PRE-CLEARANCE FORM**

**A. APPLICATION TO DEAL**

To : Compliance Officer, HUL  
 From (Name of the Employee) : \_\_\_\_\_  
 Employee Id No. : \_\_\_\_\_  
 Department /Unit : \_\_\_\_\_  
 Location : \_\_\_\_\_

With reference to the HUL Share Dealing Code, I hereby give notice that I propose to carry out the following transaction:

Transaction in name of	
Relation	
PAN	
DP ID/CL ID/Folio No.	
Type of Transaction	Open Market Purchase / Open Market Sale/ ESOP cash / ESOP Cashless / Gift
Type of Securities	
Number of Shares	

(Please give additional information if the transaction is proposed to be effected through connected persons or as a Trustee).

**UNDERTAKING**

I hereby undertake and confirm:

- (a) that I do not have any access or have not received price sensitive information upto the time of signing of this undertaking.
- (b) that in case I access to or receive any 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.
- (c) that I have not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
- (d) that I have made a full and true disclosure in this application.

Date: \_\_\_\_\_  
 \_\_\_\_\_  
 (Signature)

**B. AUTHORISED TO DEAL**

The above transaction has been authorised **in full / to the extent of \_\_\_\_\_ shares**. Your dealing must be completed within 7 days excluding \_\_\_\_\_ (the date of approval).

Please confirm by completing Part C below and returning this Form to us immediately on completion of transaction.

Date: \_\_\_\_\_  
 \_\_\_\_\_  
 (Compliance Officer)

**C. CONFIRMATION OF DEALING**

I confirm that the share dealing was completed on \_\_\_\_\_ (Insert date) by **buying/selling \_\_\_\_\_ shares/debentures through open market/ under ESOPs/Gift \_\_\_\_\_**

Date: \_\_\_\_\_  
 \_\_\_\_\_  
 (Signature)

Note:  
 It is critically important that the Applicant Employee sends this confirmation IMMEDIATELY after completing the transaction by e-mail to the Compliance Officer, followed by dispatching the form, duly signed.

**HUL SHARE DEALING CODE**

**FORM - C**

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**  
**[Regulation 7(2), read with Regulation 6(2)]**

**Name of the Company: Hindustan Unilever Limited**

**ISIN of the Company: INE030A01027**

**Details of change in holding of Securities of Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2).**

Name, PAN No. CIN/IN & address of Promoter/ Employee / Director with contact nos.	Category of Person (Promoter/ KMP/ Directors/ immediate relatives/ others etc.)	Securities held prior to acquisition/disposal		Securities acquired/disposed		Value	No.	Type of security (For eg. Shares, Debts, Convertible Debentures etc.)	Securities held post acquisition/disposal		Date of advised acquisition of shares/ sale of shares specify	Date of information to company	Mode of acquisition (market purchase/public rights/preferential offer / off market/ inter-se transfer etc.)	Trading in derivatives (Specify type of contract, Futures or Options etc)				Exchange on which the trade was executed			
		Type of security (For eg. - Shares, Debts, Convertible Debentures etc.)	No. & % of shareholding	Type of security (For eg. - Shares, Debts, Convertible Debentures etc.)	No. & % of shareholding				Type of Contract	Contract Specification				Buy Value	Buy Number of units (contracts * lot size)	Sell Value	Sell Number of units (contracts * lot size)				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	

**Note:** "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Signature:

Designation:

Date:

Place:

**HUL SHARE DEALING CODE**  
*ANNUAL DISCLOSURE*  
 [Clause 12 of Share Dealing Code]

To, Compliance Officer,  
 Hindustan Unilever Limited

Date: \_\_\_\_\_

Name : \_\_\_\_\_

Employee Id No. : \_\_\_\_\_

Designation : \_\_\_\_\_

Unit / Location : \_\_\_\_\_

Mobile No. : \_\_\_\_\_

PAN : \_\_\_\_\_

<b>Details of Transactions</b>		
<b>Self:</b>		
<b>Particulars/Type of Transaction</b>	<b>Number of shares (including derivatives)</b>	<b>Date of Pre-Clearance</b>
As on 1st April _____ (Last Year)		
As on 31st March _____ (Current Year)		
<b>Immediate Relatives (Name and Relation):</b>		
<b>Particulars/Type of Transaction</b>	<b>Number of shares (including derivatives)</b>	<b>Date of Pre-Clearance</b>
As on 1st April _____ (Last Year)		
As on 31st March _____ (Current Year)		

Signature: \_\_\_\_\_

**HUL SHARE DEALING CODE**  
**SANCTIONS FRAMEWORK**

- A. Verbal Warning
- B. Written Warning
- C. Monetary Penalty equivalent to Rs. 50,000/- (Rupees Fifty Thousand Only) or two times of the amount of profits made or losses avoided due to the act of insider trading, whichever is higher
- D. Internal Action, e.g. suspension, freeze on increment/promotion, change in role, job level
- E. Employment Termination
- F. Legal Action Notes:

<b>Categorisation of Code Breaches</b>	<b>Suggested Sanctions</b>
Technical Breach <ul style="list-style-type: none"> <li>➤ Executing transaction after expiry of 7 days from date of pre-clearance</li> <li>➤ Non reporting of completion of transaction after pre-clearance</li> <li>➤ Mis-reporting/Non reporting of information required under the Code</li> </ul>	Any action from A to D above or a combination thereof, as may be decided by the Code Committee depending on the severity of each case.
Substantial Breach <ul style="list-style-type: none"> <li>➤ Dealing in HUL Securities during close period</li> <li>➤ Dealing without obtaining pre-clearance</li> <li>➤ Engaging in short-term dealings/Dealing in derivative</li> <li>➤ Transacting in violation of conditional pre-clearance</li> <li>➤ Dealing in securities on the basis of price sensitive information</li> <li>➤ Passing on price sensitive information or making recommendations directly or indirectly for dealing in securities on the basis of such information</li> </ul>	Any action from C to E above or a combination thereof, as may be decided by the Code Committee depending on the severity of each case.

Notes:

1. Sanctions mentioned above are not mutually exclusive and more than one can be applied in any situation.
2. The committee while deciding the level of sanctions may take into account factors such as knowledge of price sensitive information, level of management responsibility of the individual concerned, numbers of securities transacted, whether the breach occurred as a result of deliberate intent or not.

The sanctions framework provides a guide for determining the appropriate sanction for a Code breach and committee may decide any other actions not listed above as may be necessary based on circumstances of a particular case.

\*\*\*\*\*