

SPARC SYSTEMS LTD.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

This Code of Conduct (“the Code”) is framed to prevent insider trading and also further to the SEBI (Prohibition of Insider Trading) Regulations, 1992 (“the Regulations”). The Code is to be implemented specifically with reference to the securities of Sparc Systems Ltd. (“SSL” or “the Company”)

Recipients should carefully read the Regulations in detail (a copy of which is available at the SEBI website sebi.gov.in) and contact the Compliance Officer for any clarification or guidance that may be needed.

Terms used in this Code, but not defined herein, shall have the definition as given in the Regulations or the SEBI Act, 1992.

The Company may at its discretion and/or as mandated by law, make changes to this Code from time to time and shall notify the changes / revised Code to the persons to whom this Code is applicable and such changes shall take place with effect from issuance of the notifications or from such date as specified in the notification.

1. Compliance Officer

- a. Sparc Systems Ltd. (hereinafter referred to as “the Company”) has appointed Ms. Punit Neb, as the Compliance Officer, who shall act as such for the purposes of this Code and under the Regulations and shall report to the Managing Director of the Company.
- b. The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of “Price Sensitive Information”, pre-clearing of designated employees’ and their dependents’ trades, as defined elsewhere in this Code of Conduct, through respective Division / Department Heads, monitoring of trades and the implementation of this Code of Conduct under the overall supervision of the Board of the Company.

Explanation: For the purpose of the Code, the term ‘designated employee’ shall include:

- i. Officers comprising the top two tiers of the company management and all employees in the finance department.
- ii. The employees designated by the Company to whom these trading restrictions shall be applicable, keeping in mind the objectives of this code of conduct.
- c. The Compliance Officer would maintain a record of the designated employees and any changes made in the list of designated employees.
- d. The Compliance Officer would assist all the employees in addressing any clarification regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Company’s Code of Conduct.

2. Preservation of Price Sensitive Information

- a. Employees/Directors shall maintain the confidentiality of all “price sensitive information”. They shall not pass on such information to any person, directly or indirectly, by way of making a recommendation for the purchase or sale of securities.
- b. Need to know**
 - i. Price sensitive information is to be handled on a “need to know” basis, i.e., price sensitive information should be disclosed only to those within the Company who need the information to discharge their duty.

- ii. All non-public information directly received by any employee should immediately be reported to the Head of the Division / Department.

c. Limited Access to Confidential Information

Files containing confidential information shall be kept secure. Computer files must have adequate security such as login passwords, password protected files, etc.

3. Prevention of Misuse of Price Sensitive Information

- a. All directors / officers and designated employees shall be subject to trading restrictions as enumerated below:

b. Trading Window

- i. The Company shall specify a trading period, to be called "Trading window", for trading in the Company's securities. The trading window shall be closed during the time the information referred to in para 3(b)(iii) is unpublished
- ii. When the trading window is closed, the directors, officers and designated employees shall not trade in the Company's securities in such period.
- iii. The trading window shall be, inter alia, closed at the time of:-
 - 1. Declaration of Financial Results (quarterly and annual)
 - 2. Declaration of dividend (interim and final)
 - 3. Issue of securities by way of public / rights / bonus etc.
 - 4. Amalgamation, mergers, takeovers and buy-back
 - 5. Such other events or circumstances as maybe notified by the Compliance Officer.
- iv. The time, apart from as specified herein, for commencement of closing f trading window shall be decided by the Company.
- v. The trading window will be closed on the following dates
 - From 15th January to 31st January
 - From 15th May to 30th May
 - From 15th July to 31st July
 - From 15th October to 31st October
- vi. The trading window shall be opened 24 hours after the information referred in para 3(b)(iii) is made public.
- vii. All directors / officers / designated employees of the Company shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during periods when the trading window is closed, as referred in paras 3(b)(iii) and 3(b)(iv) or during any other period as may be specified by the Company from time to time.
- viii. In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading window is closed.

c. Pre Clearance of Trades

- i. All directors / officers / designated employees of the Company who intend to deal in the securities of the Company above the limit of Rs. 5 Lakhs in value or 25,000 shares or 1%, whichever is less per quarter (either in one transaction or in a series of transactions) should pre-clear the transactions as per the pre-dealing procedure as described hereunder
- ii. An application may be made in such form as the Company may notify in this regard, to the Compliance Officer indicating the estimated number of securities that the designated employee intends to deal in, the details as to the depository with which he/she has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the Company in this behalf.
- iii. An undertaking shall be executed in favor of the Company by such designated employee / director / officer incorporating, inter alia, the following clauses, as may be applicable:
 1. That the designated employee does not have any access or has not received "Price Sensitive Information" up to the time of signing the undertaking.
 2. That in case the employee / director / officer has access to or receives "Price Sensitive Information" after the signing of the undertaking, but before the execution of the transaction, he/she shall inform the Compliance Officer of the change in his/her position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public.
 3. That he/she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time-to-time.
 4. That he/she has made a full and true disclosure in the matter.

4. Other Restrictions

- a. All directors / officers / designated employees and their dependents shall execute their order in respect of securities of the Company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given, the designated employee must pre-clear the transaction again.
- b. All directors / officers / designated employees who buy or sell any number of shares of the Company shall not enter into any opposite transaction i.e., sell or buy any number of shares during the next six months following the prior transaction. All directors / officers / designated employees shall also not take position in derivative transactions in the shares of the Company at any time.

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

- c. In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the Compliance Officer after recording in writing his/her reasons in this regard.

5. Reporting requirements for transactions in securities

- a. All directors / officers / designated employees of the listed company shall be required to forward following details of their securities transactions including the statement of dependent family members (as defined by the company) to the Compliance Officer:
 - i. All holdings in securities of that Company by directors / officers / designated employees at the time of joining the Company;

- ii. periodic statement of any transactions in securities (the periodicity of reporting is once every 6 months); and
 - iii. Annual statement of all holdings in securities in every April.
- b. The Compliance Office shall maintain records of all declarations in the appropriate form given by the directors / officers / designated employees for a minimum period of three years.
 - c. The Compliance Office shall place before the Managing Director or a committee specified by the Company, on a monthly basis all details of the dealing in the securities by the employees / director / officer of the Company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

6. Penalty for Contravention of Code of Conduct

- a. Any employee / officer / director who trades in securities or communicates any information for trading in securities, in contravention of this code of conduct would be penalized and appropriate action against her/him would be taken by the Company.
- b. Employees / officers / directors of the Company who violate the code of conduct shall also be liable to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.
- c. The action taken by the Company against the employee shall not preclude SEBI from taking any action, as it may deem fit, in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992.

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

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