



CODE OF CONDUCT

Sobha Developers Limited has adopted this Code of Conduct for its Board Members and Senior Management Personnel under the provisions of Clause 49 of the Listing Agreement effective 28th October 2006 and amended on 20th Jan 2007.

PREAMBLE:

PASSION AT WORK has been the driving force of SOBHA since its inception. By formulating a Code of Conduct, the commitment of Passion at Work is further reinforced in providing a greater commitment by the Board of Directors and Senior Management Personnel of the Company towards ethical values, social responsibility, transparency, accountability, fairness, integrity and compliance with the existing legislation so as to ensure that CORPORATE GOVERNANCE is implemented in its true letter and spirit and all the stakeholders of the company benefit in the long run by way of sustained growth and value addition.

SCOPE OF THE CODE:

The persons to whom it is applicable shall follow the code in its true letter and spirit and ensure that the same shall not be looked upon as a mere statutory requirement.

DEFINITIONS AND APPLICABILITY:

- **BOARD MEMBERS:** Board Members shall mean the Directors on the Board of the Company.
- **SENIOR MANAGEMENT PERSONNEL:** Senior Management Personnel shall mean the Core Management Team of the Company comprising of all the Functional Heads and excluding the Board members. All personnel above the level of General Manager are deemed as the Senior Management Personnel of the Company.

OBJECTIVES OF THE CODE:

This code of conduct directs the Board Members and the Senior Management Personnel of the Company to ensure that:

1. The highest standards of integrity and honesty are promoted throughout the organization.
2. Protection of the assets of the Company.
3. Compliance with the existing laws and regulations affecting the business.
4. Maintain a climate whereby every personnel of the Company are valued and he contributes to the fullest of his potential
5. Creating value and wealth to all the stakeholders of the Company in long run

THE CODE:

HONESTY AND TRANSPARENCY:

To act in an honest and transparent manner and within the accepted ethical framework in all situations. To act with professional integrity in respect of all the transactions which have a direct or an indirect bearing or which can be influenced in the working of the company.

PRICE SENSITIVE INFORMATION:

The Board Members and the Senior Management personnel shall not divulge or disclose any Price Sensitive Information to any person or to any section of the media unless the same is vetted by the Board in its Meeting or persons/committees authorized by it, and shall be bound by the confidentiality clause mentioned elsewhere in this code.

INSIDER TRADING:

All the Employees and directors should observe the applicable laws and regulations including the Company's policies and codes as applicable to them with respect to the purchase and sale of the Company's securities. All non-public information about the Company should be considered confidential information. It is the responsibility of each employee and director to become familiar with and understand these laws, regulations, policies and codes, and to seek further explanations and advice concerning their interpretation, if required.

CONFLICT OF INTEREST:

The Board members and the Senior Management Personnel of the Company shall avoid business, relationship or activities, which may be in conflict of interest of Sobha or the group companies. Conflict of interest may not always be clear-cut. Any question therefore about a Board Member's or senior management personnel's actual or potential conflict of interest with Sobha should be brought promptly to the attention of the Chairman of the Board, who will review the question and determine a proper course of action, including whether consideration or action by the full board is necessary. Directors or senior

management personnel involved in any conflict or potential conflict situation shall exclude themselves from any discussion or decision relation thereto.

COMPLIANCE WITH THE STATUTES:

The Board members and the Senior Management personnel shall ensure that in the course of their functioning or employment, they shall endeavor to ensure that the management is complying with the applicable laws, rules and regulations that govern the conduct of the Company.

PROPRIETY FUNCTION:

In carrying out their duties and responsibilities, all employees and directors should endeavor to protect the Company's assets and proprietary information, and ensure that the same is being used by the Company and its employees only for legitimate business purposes of the Company. Any suspected incident of fraud, mismanagement of Company's assets or theft should be immediately reported for investigation to the Chairman of the Board or such other person as designated in this regard.

GIFTS AND CHARITABLE CONTRIBUTIONS:

No Board Member & Senior Management of the Company or member of his or her immediate family, shall (directly or indirectly) solicit, accept or retain any gift, entertainment, trip, discount, service, or other benefit from any organization or person doing business or competing with the Company, other than (i) modest gifts or entertainment as part of normal business courtesy and hospitality that would not influence, and would not reasonably appear to be capable of influencing, such person to act in any manner not in the best interest of the Company or (ii) acceptance of a nominal benefit that has been disclosed to the Company. No Gifts shall be accepted by any of the aforesaid persons if there is any likely or potential conflict of interest with the Company.

CONFIDENTIAL INFORMATION:

Board Members and the Senior Management Personnel of the Company shall maintain the confidentiality of the information in their possession and shall not use for their personal gain or otherwise during the course of employment or at any time thereafter. The information possessed by the aforesaid members shall be used only for the benefit of the Company and shall not be inappropriately disclosed.

GENERAL GUIDELINES FOR CONDUCT:

The Directors shall act in the best interests of the Company and shall make reasonable efforts thrive to do the following:

1. Attend the Meetings of the Board of Directors and of the committees formed from time to time.
2. To contribute effectively and efficiently the functioning of the Board and the Committees

3. To ensure that the Statutory Compliances are done in a time bound manner and the policies of the Company are complied with.

ADHERENCE TO THE GLOBAL BENCHMARKS:

The Board Members as well as the Senior Management shall ensure that their functions and actions are in conformity with the Global Best Practices and try to set Global Benchmarks so as to retain and maximize the Shareholders Value in the long run. They shall be committed to supply goods and services of the promised quality & standards, backed by after sales service consistent with the requirements of the consumers.

FAIR DEALING

In carrying out their duties and responsibilities, the Senior Management Personnel of the Company and directors should endeavor to deal fairly, and should promote fair dealing by the Company, its employees and agents, with customers, suppliers and competitors. No employee or director should seek to take unfair advantage of anyone (including the Company) through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

RECORD KEEPING AND REPORTING:

The Company shall keep adequate books and records to substantiate the Financial Statements of the Company and shall ensure that the information kept and issued in the public domain is accurate and reflects the Company's transactions and such information and the relevant books, records and documents are in compliance within the framework of the existing laws of legal reporting and the companies policies on internal controls and reporting.

CO OPERATION WITH GROUP AND ASSOCIATE COMPANIES:

The Management shall cooperate with other group companies and associates companies by sharing physical, human and management resources as long as this does not adversely affect its business interests and shareholders value. In the procurement of products and services, the Company shall give preference to another group company or associate company so long as it can provide these on competitive terms relative to third parties.

EQUAL OPPORTUNITIES WITHIN THE COMPANY

The Officers shall ensure that equal opportunities are provided to all employees of the Company and all qualified applicants for employment, without regard to their race, caste, religion, color, ancestry, marital status, sex, age & nationality and that no discrimination or exploitation is done in this regard.

NON-COMPLIANCE OF THE CODE

The Board members and the Senior Management personnel shall ensure the Compliance of this code in its true letter and spirit. The Code is a Public Document and violations of the code observed by any person shall be reported to the Chairman of the Company and / or the Chairman of the Audit Committee who shall have the powers to investigate into the reported violation and a report shall be placed in the immediate Audit Committee Meeting or the Board Meeting as the case may be and suitable action shall be taken as per the consensus arrived at such Meeting.

AMENDMENT AND WAIVERS OF THE CODE:

Any amendment to this Code must be approved by the Board of Directors and shall be publicly disclosed as required by any applicable law or regulations in force. Any waiver of this Code for the benefit of any Senior Management personnel or Director of the Company may be made only by the Company's Board of Directors and shall be disclosed promptly as required by applicable laws and regulations including the rules of any exchange on which the Company's securities are listed or traded.

ACKNOWLEDGEMENT OF RECEIPT OF THE CODE:

All Board Members shall acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgement form and forward the same to the Company Secretary indicating that they have received, read, understood and agreed to comply with this Code.

PERIODIC REPORTING OF COMPLIANCE

All Board Members and the Senior Management Personnel shall affirm compliance with the code on an annual basis at the end of financial year of the Company as per the applicable reporting requirements