



MUNJAL AUTO INDUSTRIES LIMITED

Regd. Office: 187, GIDC Industrial Estate, Waghodia, Vadodara – 391760
CIN No. L34100GJ1985PLC007958, www.munjalauto.com,
Tel No. (02668)262421-22, Fax No. (02668)262427

CODE OF BUSINESS CONDUCT AND ETHICS

Our values and Guidelines for Board Members' and Employees' Conduct

Integrity, Unity, Responsibility, Trust and Humanity – are the Values and guiding force for each member of Hero Group. Business policies in the Group are governed based on sound values, professional management and uncompromising integrity. Being part of Hero Group, we are responsible to uphold the group's traditions and values and all our decisions and policies are based on these core values. These traditions and values represent a great asset for Munjal Auto and for all of us as Board Member / Employee and are the main guiding force – a legacy – of doing business the right way.

Operating our business with integrity is a core value, which we should reflect in all that we do. It means honest and accurate reporting of our performance, both internally and externally. It means competing — and succeeding — by the rules, whether they are laws, regulations, or simply internal policy of Munjal Auto. It means making our actions match our words.

Integrity is all about creating an environment that supports and demands, proper business conduct. Doing the right thing is not always convenient, but it's essential to sustaining our culture of integrity and achieving our vision of becoming world class in whatever we do, earning the enthusiasm of our customers, working together effectively as a team, innovating and continuously improving.

The policy / guidelines mentioned hereunder are designed to provide direction in applying these principles in day-to-day operations. They are not intended to be exhaustive. Only broad policy framework / guidelines are laid down. All of us must familiarize ourselves with these policies / guidelines and satisfy ourselves that we understand and are complying with these policies / guidelines.

These policies / guidelines apply to the members of the Board of Directors, while they are acting in capacity as Board members as well as all employees of the Company.

Some of these policies / guidelines apply to consultants, agents, contractors and contract workers when they are acting on behalf of the Company. We must require these representatives of the Company to follow these guidelines where they are applicable.



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Policy on Business Relationship

Company would carry out the business activities in compliance with law in force. We pledge to offer the quality products with most competitive prices to our customers. This is how we have gained the confidence of our customers. Business dealings with the customers and suppliers or with any third party would be on merit and fair terms & conditions. We should uphold the highest standards of integrity while dealing with third parties. Before entering into any business relationship, it is to be ensured that third parties do not violate the Company's policies and there should not be any other considerations allowed in maturing business relationships.

Policy on Conflict of interest

The term 'conflict of interest' pertains to a situation when your personal interest is adverse to or may appear to be adverse to the interest of the Company as a whole.

We should avoid any activity, investment or interest that might reflect unfavorably on our own personal integrity or good name or on our Company. We should not engage in any activity that is detrimental to our Company or deprives it of a legitimate benefit, nor should we improperly use our positions to benefit ourselves, relatives, friends or other business interests. All of our business decisions should be based exclusively on Company's best interests. If our duties include contact with an organization that employs a relative or other person with whom we have a significant personal relationship, we should take appropriate precautions to avoid a potential conflict of interest or even the appearance of preferential treatment. The organization should neither receive any undue advantage nor be prejudiced because of the personal relationship. When confronted with such situations, we should consult with the Head of the Department and, if necessary, disqualify ourselves from acting on behalf of the Company. Disclosure of all the facts is essential where there is an actual or potential conflict of interest.

While Company neither prohibits nor encourages the employment of employees' relatives, the decision to hire or promote an individual should not be influenced by a candidate's relationship to any employee. The direct or indirect reporting of the relative hired with the related Company's employee should be avoided.

Disclosure of Conflict of Interest

Many questions relating to conflicts of interest can be avoided by timely and adequate disclosure of the facts. Where actual or potential conflicts of interest appear to be likely, we should disclose the issue promptly to the immediate



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supervisor and/or Head of the Department. If we are not sure that the situation creates a potential or actual conflict, we should seek the help of our immediate supervisor / Head of the Department. Among other things, disclosure enables the Company to determine whether to consent to our activity where the appearance of a conflict exists. It can only do so, however, if the facts are known and no unethical or criminal conduct is involved.

In a contract or arrangement in which directors are directly or indirectly interested, the same is to be disclosed / reported to the Board of Directors for its approval as soon as possible and the approval of Central Government, wherever required, be obtained in accordance with the provision of the Companies Act, 1956/ Companies Act,2013..

Policy on use of information and property

All of us in Munjal Auto have responsibility to protect assets of our own Company, ensure efficient and optimum utilization of Company's assets and to report and put on record all transactions. Company's assets are to be utilized for business purpose and any other purpose as authorised by the management but the assets are not to be used for any illegal purposes. We should not take any undue or unfair advantage of our access to Company's property.

Information includes all information related to our business, created and acquired using Company's own resources, regardless of specific nature, medium or form of information. All Company's information is considered proprietary, i.e., the property of the Company, and must be protected by all of us against unauthorised disclosure, modification, or destruction. Company's information, including information about Company's activities, business plans, products and employees, must not be disclosed to outsiders without specific approval from the Management. Certain information is competitively sensitive and could create adverse consequences if disclosed to outsiders. This information is "classified" for additional protections in two broad categories:

- (1) information resulting from Company's investment of resources that is unique and has competitive value, and
- (2) information that, if disclosed, could have adverse consequences, including, for example, financial loss, negative effects on Company's / Group's image or breaches of some legal duty or agreement.

Within these broad categories, information may be classified as "SECRET," or "CONFIDENTIAL" and therefore needs to be protected.



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Policy on Insider Trading

Law as well as Company's policy prohibit each of us trading in Company's securities based on "Unpublished Price Sensitive Information". Those employees, who are in possession of price sensitive information, are required to maintain the confidentiality of all price sensitive information and no person will pass on such information to anyone directly or indirectly by way of making a recommendation for the purchase or sale of Company's shares/securities.

All the persons are required to handle any price sensitive information on a "need to know" basis i.e. price sensitive information should be disclosed only to those within the company or any other person / organization who need the information to discharge their duty.

Company has already in place a detailed '*Code of Internal Procedures and Conduct for Prevention of Insider Trading into Shares / Securities of the Company*'. Employees are encouraged to follow the Insider Trading Code at all times. Punishment for violation can include wage freeze, suspension ineligibility to deal in the shares / securities in future or any other punishment looking to the gravity of the non-compliance in addition to legal action that may be taken by Securities and Exchange Board of India (SEBI) in case of violation of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/ Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

Company's Fair Treatment Policy and Policy Prohibiting discrimination and Harassment in the Workplace

An organization's beliefs and values form the foundation upon which it builds and grows. Company's turnaround and success is the result of beliefs and values its people have brought to the business effort. The global competitive market in which we operate has witnessed tremendous changes over the years. Company is committed to attracting, retaining and developing the highest quality and dedicated workforce and focuses increasingly on teamwork, improvements and incorporation of more diverse ideas and strategy to improve efficiency in all operations.

Our employees are our most valued assets. We recognize that we will achieve greater success by providing our people with an environment that increasingly respects the dignity of every individual, fosters trust, and allows every person the opportunity to realize their full potential as individuals and team members.



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Company endeavors to offer equal opportunity and fair treatment to all employees and not to allow any discrimination in any manner whatsoever in hiring, compensation, access to training, promotion, termination or retirement. Company is committed to provide work environment free of any form of illegal discrimination and harassment, both direct and indirect.

If you have any questions relating to what constitutes discrimination or harassment, or if you have any other questions or concerns pertaining to discrimination or harassment, contact the Human Resources Department.

Electronic Resources Usage Policy

Usage of Electronic Resources has now become an integral part of business operations. Employees should ensure that they use only licensed software and take back-up of all important data. Uses of Electronic Resources that threaten the integrity of the system, the privacy of others, or that are otherwise illegal, are hence forbidden. The electronic resources shall be used in an effective, ethical and lawful manner. Company's e-mail addresses should be used for official purposes only.

Favours, Gift and Entertainment Policy

Company's employees, agents or contractors must not offer to give or receive any money, gift, or anything of value to customers, vendors, consultants, etc. that is perceived as intended, directly or indirectly, to improperly influence any business decision, any act or failure to act, any commitment of fraud, or opportunity for the commission of any fraud.

It is prohibited to offer any payments, or valuable gifts to government officials and employees of government agencies for the purpose of Company's business.

Inexpensive gifts, infrequent business meals, celebratory events and entertainment, provided that they are not excessive or create an appearance of impropriety, do not violate this policy. Before giving anything of value to an employee of a government entity, please contact the Human Resources Department or the Legal Department. Questions regarding whether a particular payment or gift violates this policy should be directed to Human Resources Department.

Public Disclosure and Media Policy

As a public company it is of critical importance that Company's filings with the Securities and Exchange Board of India (SEBI), Stock Exchanges, where the Company's securities are listed and other government agencies be accurate



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and timely. Company expects all of its employees to take this responsibility very seriously and to provide information that is accurate, complete, objective, relevant, timely, and understandable to ensure full, fair, accurate, timely, and understandable disclosure in reports and documents that Company files with, or submits to, government agencies and in other public communications.

To facilitate the achievement of our vision, apart from achieving our business plans, it is necessary to communicate our achievements and plans in the most effective manner through the media to our investors, Customers, existing and potential, and to the community at large in which we operate. This policy is important not only from the context of evolving and maintaining an effective relationship with the media but also for legally safeguarding the information released to the media. In this context it is important that all statements to the media shall be true and fair, for which purpose only selected persons who are authorized to speak to media on identified subjects. Disclosure of forward-looking statements should be combined with cautionary statements. Do not disclose non-public information selectively to a particular group.

Policy on Dress Code

All employees of the Company would report to their workplace properly groomed and in the uniform / dress code prescribed by the Company. Wearing uniform symbolises unity in the workplace, where everyone works as a team and helps maintaining an environment that enables all to maximise their contribution to organisational success.

Environment, Health & Safety Policy

As a responsible corporate citizen, Munjal Auto is dedicated to protecting human health and the global environment. This dedication reaches further than compliance with the law to encompass the integration of sound environmental practices into our business decisions. The Company's environmental principles provide guidance to Company's employees in the conduct of their daily business operations. Employees should consider the potential impact of the activities, products and services of the Company on human health and the environment and take necessary measures, over and above legal requirements, to reduce such impact.

Code Violation / Reporting

Compliance with the policies envisaged in this code of business conduct and ethics is responsibility of each of us. Our responsibility is to respect and adhere to these policies. Many of the policies reflect legal and statutory requirements and thus need to be complied in letter and spirit of the applicable laws. Violation of these policies may result in violation of law and



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thus may attract legal penalty for the Company, directors, officers and employees.

Violation of law, the Code of business conduct and policies and other policies of the Company can lead to disciplinary action upto and including termination. All employees are responsible for promptly reporting any issue or concern they believe in good faith may constitute a violation of this code or any other policy of the Company. If you believe a violation of this code, or any other Company's policy, has occurred, it should be immediately brought to the notice of legal department of the Company.

Waivers

The Board of Directors shall oversee the Company's adherence to ethical and legal standards.

Any waiver of any provision of this Code of Business Conduct and Ethics for a member of the Company's Board of Directors or an officer / employee must be approved in writing by the Company's Board of Directors and promptly disclosed.