

Guidelines on Competition Law and Antitrust Practices

Why compliance is important for SMG?

Full compliance with competition laws is a high priority for Samvardhana Motherson Group ("SMG") and is an integral part of SMG's business policy. Every employee at each business unit must fully respect principles of competition law at all time and ensure that their actions do not lead to their own employer or any of its parent/holding company, subsidiaries, affiliates, associates and joint-venture partners get involved in any kind of breach of prevailing competition laws in the jurisdiction in which they operate. This is even more important, given the increasing focus on the automotive industry by Anti-trust / competition law authorities worldwide.

The term Samvardhana Motherson Group or SMG means Samvardhana Motherson Group and all the entities forming part of it.

Infringing competition laws can give rise to severe consequences for the company and the individual:

- **Fines** : fines of up to 10% of group turnover may be imposed on the respective SMG company
- **Damages**: a company can be sued for damages by customers, competitors, consumer bodies or regulatory authorities for any losses suffered as a result of the anti-competitive conduct. The amount of damages to be paid often far exceeds the amount of fines levied.
- **Business impact** : there is considerable cost and management time involved in defending the company against allegations which can have an adverse impact on the reputation of SMG, staff, staff morale, customer perceptions and can disrupt business activities.
- **Criminal and other sanctions on individuals** : in several countries competition law infringements may be sanctioned with imprisonment, criminal fines or the prohibition to act as a director (in any company). Note, some countries also foresee administrative fines on individuals.

- **Individual disciplinary sanctions**: any employee may be subject to a disciplinary action internally unless he immediately discloses such infringement to his/her management and fully cooperates in solving the issue.

What is prohibited under competition laws?

Competition law prohibits:

- agreements (written or oral) between competitors on prices, customers, territories or commercially sensitive facts;
- any information exchange with competitors concerning prices, territories, customers, commercially sensitive facts, etc.
- any agreement or exchange of information regarding bids

For more practical details please see below Dos and Don'ts



For these reasons,

- **Competition laws MUST be respected at all time;**
- any **infringement will not be supported by SMG;**
- every **incident must be reported** immediately to the following Head of Regional Chairman's Office in your respective jurisdiction and Group General Counsel.

SMG has zero tolerance to non-adherence to the principles of Competition law.

Thank you for your cooperation!

Raghu
Group General Counsel
Samvardhana Motherson Group

 **Name**
Head Regional Chairman's Office
 **Region**

Competition Law and Antitrust Practices Compliance Certificate

I, _____ (insert full name) currently working as _____ hereby agree that I will follow SMG's Competition and Antitrust Practices at any time. In particular, I will follow the following Dos and Don'ts which are an integral part of SMG's Competition Law and Antitrust Practices

Do's

- **stop conversations with competitors** on commercially and technically sensitive information;
- **refuse** to discuss, analyse or **accept** such information from non-legitimate sources;
- **avoid any action which could imply illegal co-ordination with competitors;**
- **immediately contact** your manager/legal department if a competitor sends you commercially sensitive information;
- Please seek approval from your manager or legal department before exchanging competitively sensitive information, directly or indirectly, with a competitor
- **seek** to obtain market intelligence about competitors from legitimate and public sources such as customers only.
- insist that all meetings with Competitors must have agendas that are circulated in advance and that minutes of all meetings properly reflect the discussion held and actions taken at the meeting.
- **immediately seek assistance** from your manager or the legal department should you have doubts if a current or past incident is anti-competitive or not.
- **seek approval of Group Legal Counsel before submitting any information to a competition authority.**

Do not

- **agree, conclude or discuss** with competitors (neither in writing nor orally) on **prices or price elements** you charge to customers.
- **agree** with competitors (neither in writing nor orally) **to which customer** you will supply and which you wouldn't.
- **agree** with any competitors on **which product** you will supply to a customers and which you would not.
- **share** with any competitor any **information regarding the tenders** SMG will/will not participate.
- agree with any competitors to coordinate Company's behaviour at tenders
- agree with any competitors on allocation of markets, suppliers or geographic territories
- **share** with any competitors any **commercially sensitive information** such as **prices, costs, fees or other commercial conditions**, irrespective of whether such information might only be indicative or of little relevance.
- **boycott** any Customer or supplier.
- **agree to not compete with your competitor**
- **discuss/agree to reduce or control production of your company with any Competitor.**
- **enter into any arrangement/agreement/exchange of commercially sensitive information with Competitors.**
- **agree, conclude or discuss with competitors to divide or share the markets/territories**
- **send emails to group where recipients are unidentified.**
- **use slang expressions, exaggerations specially on market share.**
- **discuss about conditions of supply, profit margins, cost structures, distribution practices, investment plan with Competitors.**
- **collude in tenders or bids in actions and other supply offers with Competitors.**
- **collude with Competitor against buying from any specific company or establishment.**

- **believe** that the importance of **c mpliance** with competition law **is overstated**.
- **enter into any kind of contract/understanding with any Competitor which amounts to abuse of Dominant position in any market. believe** an **anticompetitive behaviour** will **remain undiscovered**. In fact, your counterpart (if under pressure) will talk. Note, most competition authorities around the world have introduced leniency programs, which are designed to grant companies full immunity of fines when disclosing anti-competitive behaviour.
- **believe** that **oral agreements o oral exchanges are irrelevant**. The **prohibition** of anti competitive behaviour **includes all forms of misconduct** (irrespective if the exchange has been done in writing or orally; it also covers “gentlemen agreements”). In addition, your counterpart might have taken notes or mi ht have reported the information to his boss/colleague and there will always be someone to disclose the in ormation when under pressure.
- **believe** that any **anti-competitive behaviour** is “**safe**”, because you have deleted all files or you have only used your private computer. Competition authorities have forensic tools to make deleted files visible and they have the power to investigate private homes.

I have been informed and I accept that any competition law infringement is a breach of the law and might be subject to disciplinary action internally, and fully cooperate in solving the issue.

Date, Place

stamp of company

Employee's Signature