

**HELLA INDIA LIGHTING LIMITED**

**CODE OF BUSINESS CONDUCT AND ETHICS**

## **INTRODUCTION**

Hella India Lighting Limited (hereinafter referred to as 'HELLA' / 'COMPANY') has always believed in the highest standards of Corporate Governance.

This Code of Conduct (hereinafter referred to as "the Code") has been framed and adopted by HELLA in compliance with the provisions of Clause 49 of the Listing Agreements entered into by the Company with the Stock Exchanges and to reinforce its commitment towards maintaining highest standards of Corporate Governance.

This Code is neither a contract nor a comprehensive manual that covers every situation we might experience. It is a guide that highlights key issues and identifies policies and resources to help us reach decisions.

## **APPLICABILITY**

The Code applies to the Members of Board of Directors (hereinafter referred to as "Board Members") and members of the Senior Management Team of the Company one level below the Executive Directors, viz. All the Functional Heads and all other executives having similar or equivalent rank in the Company and the Company Secretary of the Company (hereinafter referred to as "Senior Managers").

The Company Secretary shall be the Compliance Officer for the purpose of this Code.

The Code shall come into force with effect from 1st January, 2006 and future amendments / modifications shall take effect from the date stated therein.

## **EQUAL OPPORTUNITY & ANTI HARASSMENT**

The Company is committed to provide a work environment, which is free of harassment based on colour, caste, creed, sex, or on any other basis. This policy relates to all phases of employment including recruitment, hiring, placement, promotion, transfer, compensation, benefits, training, educational, social and recreational programs and the use of Company facilities. Sexual harassment or exploitation is specifically prohibited.

The Board Members and Senior Managers should treat people fairly, with respect and shall promote a culture where diversity is valued and full capabilities of individuals are harnessed and developed to the benefit of customers, employees and the business.

# HONESTY, INTEGRITY & ETHICAL CONDUCT

The Board Members and Senior Managers are expected to act in good faith, responsibly, with due care and diligence, without allowing their independent judgment to be subordinated.

They shall act in accordance with high standards of personal and professional integrity, honesty and fairness and in the best interests of the Company.

## CONFLICT OF INTEREST

The Board Members and Senior Managers must avoid and promptly disclose to the Company the potential conflicts of interest regarding any matters concerning the Company. A conflict of interest exists where the interests or benefits of Board Members and Senior Managers conflict with the interests or benefits of the Company.

# GENERAL GUIDANCE

Business decisions and actions must be based on the best interests of HELLA, and must not be motivated by personal considerations or relationships. Relationships with prospective or existing suppliers, contractors, customers, competitors or regulators must not affect the independence and sound judgment of the Board Members and Senior Managers on behalf of HELLA.

Also, please follow the specific policies of the Company viz., for Gifts, entertainment etc when faced with certain situations as enumerated below.

## GIFTS

Gifts are not always physical objects--they might also be services, favors or other items of value.

· Gifts to us

The Board Members and Senior Managers will not accept kickbacks, lavish gifts or gratuities. However, items of nominal value, such as small promotional items bearing another company's name can be accepted.

The Board Members and Senior Managers will not accept anything that might make it appear that their judgment for HELLA would be compromised.

In some rare situations, it would be impractical or harmful to refuse or return a gift. When this happens, discuss the situation with your Managing Director.

The term kickback includes any money, fee, commission, credit, gift, gratuity, thing of value or compensation of any kind, whether in cash or kind that is provided directly or indirectly to anyone for the purpose of inappropriately or improperly obtaining or rewarding favourable treatment.

- Gifts Given by HELLA

Some business situations call for giving gifts. HELLA's gifts must be reasonable, and approved by the Head of Department / Managing Director.

The Board Members and Senior Managers will not provide any gift if it is prohibited by law or the policy of the recipient's organization. If in doubt, check first.

### **ENTERTAINMENT**

We consider "entertainment" to include a representative of both parties at the event.

- Entertainment of HELLA

We may accept entertainment that is reasonable in the context of the business and that advances the Company's interests. For example, accompanying a business associate to a local cultural or sporting event, or to a business meal, would in most cases be acceptable.

Entertainment that is lavish or frequent may appear to influence one's independent judgment on behalf of HELLA. If an invitation seems inappropriate, the Board Members and Senior Managers must turn down the offer or pay the true value of the entertainment. Accepting entertainment that may appear inappropriate should be discussed with the Head of Department / Managing Director, in advance if possible.

- Entertainment by HELLA

The Board Members and Senior Managers may provide entertainment that is reasonable in the context of the business. If case of any concern about whether providing entertainment is appropriate, the same can be discussed with Head of Department / Managing Director, in advance.

Entertainment of government officials may be prohibited by law. Get approval from the Head of Department / Managing Director in each instance.

Employment / Outside Employment.

None of the Board Members and Senior Managers will work for or receive payments for services from any competitor, customer, distributor or supplier of HELLA without prior and express approval of Head of Department / Managing Director. Any outside activity must be strictly separated from HELLA employment and should not harm job performance at HELLA.

### **Related Parties**

The Board Members and Senior Managers will not use personal influence to get HELLA to do business with a company in which their family members or friends have an interest.

However, if a related party transaction is unavoidable, it must be fully disclosed, in advance, the nature of the related party transaction to the Company.

### **Corporate opportunities**

Opportunities that are discovered through the use of corporate property, information or position, should not be exploited for personal gain.

#### **Purchasing practices**

All purchase decisions must be made purely on the basis of quality, service, price, delivery and best value. Extraneous or personal interest shall not be criteria for arriving at purchase decisions. Objective, fair, transparent and responsible criteria shall be followed while evaluating, passing or rejecting the quality of goods / services.

The Board Members and Senior Managers shall ensure that all the terms and conditions pertaining to payments made or commissions paid in connection with the Company's purchases of goods or services are supported by documentation that is complete and clearly defines the nature and purpose of transaction and is consistent with trade practices and in conformity with applicable laws.

It must be noted that any action that even appears to be in violation of the above principles would be severely dealt with.

### **Compliances with applicable Laws**

We are required to comply with all applicable laws, rules and regulations. In order to assist the Company in promoting lawful and ethical behavior, one must report any possible violation of law, rules, regulations or the code of conduct of the Company.

## **Confidential Information**

The Company's confidential information is an extremely valuable asset. Any information relating to the Company's business, manufacturing processes, products, customers, suppliers etc, as well as information pertaining to confidential documents, agreements, contracts, patents, rights, privileges etc which is not in public domain and to which the Board Members and Senior Managers has access, must be considered confidential and held in confidence unless otherwise authorized or when disclosure is required as a matter of law.

No Board Member and Senior Manager shall provide any such information either formally or informally, to the press or any other publicity media or any outsider, unless specially authorized.

Use of Company's Assets

## **Company Funds**

Every Board Member / Senior Manager is personally responsible for all Company funds over which he or she exercises control. Company funds must be used only for Company's business. Reasonable steps should be taken to ensure that the Company receives good value for Company funds spent and accurate and timely records of each and every transaction should be maintained.

## **General**

Protecting the Company's Assets is a key responsibility of everyone. Due care should be taken to ensure that assets entrusted to one's custody are not misappropriated, loaned to others, or sold or donated, without appropriate authorization. The assets should be guarded against loss, damage, misuse or theft. Company equipment and assets should be used for Company's business purposes only.

## **VIOLATIONS OF THE CODE**

The matters covered in this Code of Conduct are of utmost importance to the Company and its various

stakeholders and are essential to the Company's ability to conduct its business in accordance with its stated values. Everyone is expected to adhere to these rules in carrying out their duties for the Company.

Anyone who becomes aware of violation of the Code of Conduct should promptly report the same to the Company Secretary, who will act as Company's Ethics and Compliance Officer.

#### **ANNUAL REVIEW**

The Board of Directors shall regularly review and re-assess the adequacy of the Code and make such amendments to the Code as it may deem appropriate.

#### **ANNUAL AFFIRMATION**

All the Board Members and Senior Managers to whom the code applies shall, within 10 days of close of every financial year affirm compliance with the Code indicating their continued understanding of and compliance with the code. The duly signed Annual Compliance Declaration shall be forwarded to the Compliance Officer of the Company.