



SAMVARDHANA MOTHERSON GROUP

CODE OF CONDUCT FOR EMPLOYEES

Mother'son Sumi Systems Limited
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TABLE OF CONTENTS

	Pg. No.
1. Preamble	3
2. Applicability	3
3. SMG way of functioning	4
4. Obligation to employees and contractors	7
5. Compliance with Code of Conduct	10
6. Administration of the Policy	10
7. General Provisions	12
Appendix A	14

CODE OF CONDUCT FOR EMPLOYEES

1. PREAMBLE

- 1.1 Founded in 1975, Samvardhana Mother'son Group (“**SMG**”) has a diversified industry-leading portfolio of auto ancillary products and services that make it a full system solutions provider for its customers across the globe. SMG combines power of innovation and product quality to passionately create world class products that cater to customer needs across diverse industries, especially automotive.
- 1.2 SMG vision is to be a globally preferred solutions provider. SMG aims that the products and services of SMG should be technologically competitive and should offer best possible value to the customers while fulfilling their needs, such that SMG becomes customers’ first choice for quality and service. The service standards shall be of highest possible order so as to build mutually beneficial relationships of an enduring nature.
- 1.3 While achieving its vision, SMG is committed to conduct its business with highest standards of work culture and business ethics. By way of this Code of Conduct (“**Code**”), SMG intends to provide guidance to develop and ensure culture of honesty and accountability in the SMG. The matters covered in this Code are of utmost importance to the SMG, its stakeholders and its business partners.

2. APPLICABILITY

- 2.1 This Policy is applicable to all Employees of SMG and/or Contractors of SMG. With respect to entities on which SMG does not have control, it is encouraged that such entities adopt and follow the Code. In addition, Contractors are required to comply with this Code when acting on behalf of the SMG.
- 2.2 The rules and principles set forth in this Code are general in nature and the compliance with the Code be ensured by ensuring compliance of all other policies & procedures of SMG.

Clarification: For the purposes of this Code, “Contractors” shall mean persons and entities appointed by SMG for undertaking and/or providing various services, consultancy, advisory, support, audit or management functions in ordinary course of business, including but not limited to, consultant(s), advisor(s), services provider(s) and/or sub-contractor(s) etc. or called by any other name.

3. SMG WAY OF FUNCTIONING

3.1 Integrity is fundamental to SMG. Integrity means doing what is right. By acting with integrity, SMG reflects positively on the values, reputation and its brands. At SMG, we are committed to conducting our business with integrity.

3.2 SMG has a positive relationship with all its stakeholders and always attempts to respond to the inquiries and requests made by its stakeholders, as soon as possible. SMG is committed to delivering value for all its stakeholders and exerts its best efforts to maximize the stakeholder confidence in the business of the SMG.

3.3 Relations with Business Partners

SMG believes in cultivating a global network of collaborative and mutually beneficial alliances with all its Business Partners. The customs and traditions of Business Partners are respected and it is ensured that all dealings are done with honesty and ethical behavior. Collaboration with the Business Partners in the creation of successful ventures with high standards of integrity and business practice is highly encouraged.

3.4 Relations with Customers

SMG is committed to deal with its customers fairly, honestly and with integrity. While dealing with customers, following should be complied:

3.4.1 Information supplied to customers be accurate and complete.

3.4.2 No false or misleading statement or misrepresentation be made while marketing the products or services.

3.4.3 Complaint and warranty claims of customers to be attended to full satisfaction of customer.

3.4.4 Response to customer's needs and expectations shall be speedy, courteous and effective.

3.5 Relations with Suppliers

It is imperative to SMG to deal fairly and honestly with suppliers. The relationship with suppliers should only be based on price, quality, service and reputation. The persons dealing with suppliers should carefully guard their objectivity.

3.6 Relations with Investors

SMG recognizes rights of its investors to information and is sensitive to this need. The information relevant for investors be speedily disseminated and should be as comprehensive as it is required to be, subject to considerations of confidentiality and applicable law. The rights of investors to express their views during investor meets, including shareholder meetings, on matters forming part of the agenda and on the performance of the SMG should be respected. Investor queries and observations should be given due regard and responded to the best extent possible. No information to be made available on a selective basis to specified groups of investors in a manner that places them at an advantage over other groups of investors.

3.7 Equal Employment Opportunity

SMG provides equal opportunity and inclusion for all those associated with it, through its policies and practices. A mix of backgrounds, opinions, and talents enriches the organisation and helps in the achievement of success. SMG rejoices importance of diversity in workplaces. SMG recognizes the importance of maintaining and promoting fundamental human rights in all operations and provides and promotes the grant of fair and equitable wages, benefits, and other conditions of employment. At SMG everyone is valued and respected for their unique contributions. SMG understands and respects the different roles that each person representing SMG plays in the success and growth of its business. SMG is confident in the skills each person offers and is very optimistic about the way in which it contributes to the overall growth of the entity. Through persistence and goal-directed activities, SMG focuses on not only the obstacles in the way, but also on the clear pictures of future accomplishments. SMG expects its team leaders to recognize the power of their behavior and ensure that team members respect each other and are encouraged to contribute. The principles of mutual trust, teamwork and spirit are core values that SMG abides by and strives to maintain.

3.8 Ensuring Health and Safety

SMG values each individual as an important asset of the organization and is committed to high standards of safety and protection, and strives to provide a safe, healthy and hygienic environment to its workforce. SMG conducts its operations in a safe manner that strives to prevent all possible accidents, incidents, injuries and occupational illness. SMG believes in creating awareness regarding work place practices and communicate information, instruction and training programs to all employees to enable them to comply with its environment, health and safety policies. Each person representing SMG has responsibility to follow safety and security procedures, as well as applicable laws and regulations at all times.

3.9 Drugs, Alcohol and Smoking

The use, possession, transfer, manufacture, distribution of illegal drugs or alcohol is prohibited at workplace premises, while at work during working or non-working hours. In addition, a person should not report to work while under the influence of, or impaired by, alcohol or illegal drugs or substances. SMG assures a smoke free environment for its employees. Barring designated areas (if any) the entire office premises are non-smoking.

3.10 Non-violence

SMG is committed to provide a safe work environment. It is imperative to SMG that work environment is one where people feel safe and are treated with respect and professionalism at all times. All persons representing SMG are prohibited from engaging in any act on any premises of SMG that could cause another individual to feel threatened or unsafe and this would include assaults (verbal or non-verbal), threats, or any expression of hostility, intimidation, aggression, or ragging.

3.11 Environmental Responsibilities

SMG respects the environment and the business activities of SMG ensure that there is minimal impact on environment. Compliance with all environmental laws and regulations is foundation on which business is build. SMG believes that commitment to sustainable development is a key component of responsible corporate citizenship and therefore deserves to accord highest priority. Accordingly, SMG is committed to the best practices in environmental matters arising out of its business activities and expects each business vertical to demonstrate this commitment. In addition to complying with applicable laws and regulations, SMG encourages the assessment of the environmental effects of its present and future business activities.

3.12 Human Rights

SMG subscribes to the principle that every human being has the right to be treated with dignity, fairness and respect. SMG upholds dignity, fundamental freedoms and human rights of our employees, business partners and communities in which SMG live and work. SMG respect human rights and care about its role as a good corporate citizen for human rights of each individual. Guided by SMG values and beliefs and in accordance with internationally recognized standards of conduct, SMG assumes responsibility for respecting human rights wherever it operate.

3.13 No affiliation / association with a political party

SMG does not support any specific political party of any jurisdiction and does not have any political affiliation.

4. OBLIGATION TO EMPLOYEES AND CONTRACTORS

4.1 Compliance with Law

4.1.1 Every person representing the SMG will conduct business as a responsible corporate citizen and follow applicable legal framework in spirit and letter. All such persons are expected to know and understand legal obligations that apply while executing their respective duties and responsibilities.

4.2 Honest and Ethical Conduct

4.2.1 Everyone representing SMG will act in accordance with highest standards of personal and professional integrity, honesty and ethical conduct while working for an on behalf of SMG. Further, while maintaining personal stature, SMG expects such representative to conduct himself/herself in a manner that would not adversely affect SMG reputation or SMG way of functioning.

4.3 Conflict of Interest

4.3.1 A 'conflict of interest' would mean a situation when external activities or personal interests conflict or appear to conflict, with the responsibility towards SMG. A conflict of interest therefore occurs when personal interests of any person representing SMG or the interests of a third party compete with the interests of the SMG. In such a situation, it can be difficult for such person to act fully in the best interests of SMG. It could also include situations when any person representing the SMG uses his/her position with SMG or information he/she may have acquired during the course of association with SMG, in a way that creates a conflict between the personal interests and the interests of SMG.

4.3.2 Every person representing SMG shall endeavor to avoid conflicts of interest and is expected to act in best interests of SMG. Even appearance of a conflict can damage an individual's and/or the SMG's reputation and thus each such person is to disclose all situations relating to conflict of interest voluntarily, as soon as such person has knowledge of the same.

4.4 Directorship or employment outside SMG

- 4.4.1 In consideration of employment with SMG, all employees are expected to devote their full attention to the business interests of SMG. The employees are prohibited from engaging in any activity that may interfere with their performance or responsibilities to SMG or is otherwise in conflict with or prejudicial to the interests of SMG.
- 4.4.2 Further, acceptance of directorship by full time employees of SMG is prohibited, without prior approval of the management.

4.5 Protection of brand, intellectual property, assets and properties

- 4.5.1 One of the most valuable assets is SMG brand and its reputation as a strong brand is essential for sustainable success especially in fast-changing and highly competitive markets. All persons representing SMG's brand, must ensure to protect SMG brand with as much care as any other tangible property.
- 4.5.2 At SMG, all proprietary information with respect to intellectual property developed by SMG or that belonging to clients' needs to be protected. Intellectual Property includes any information like patented inventions, designs, copyright materials, trademarks and service marks, trade secrets and knowhow, sales, marketing and other corporate databases marketing strategies and plans, research and technical data, business ideas, processes, proposals or strategies, new product and/or package design, and development software, or information used in trading activities including pricing, marketing, and customer strategies. All persons representing SMG shall protect all proprietary information of SMG and/or clients'.
- 4.5.3 All persons representing SMG shall protect assets and properties of SMG and ensure efficient and proper use of the same. All SMG's assets and properties should be used for legitimate business purposes.

4.6 Representation to media, press, investors etc.

- 4.6.1 Only designated spokesperson can represent SMG before media, press, investor, market analysts, social media or other external party to ensure that any external communications should be correct and accurate and in no way spread rumors.
- 4.6.2 Any person other than designated representative should refrain from doing so and instead refer any such request to the corporate communications department.

4.6.3 Further, following social media guidelines apply to persons designated spokesperson who are contributing to blogs, social networks or any other form of social media.

- (a) No personal opinions or views should be posted as being opinions or views of the SMG;
- (b) No confidential or other proprietary information of the SMG should be published or posted;
- (c) Where necessary and approved, only material facts in relation to any product, service, or incident to be stated;
- (d) No inappropriate, defamatory, infringing, obscene, racist, politically slanted, indecent or unlawful topic, name, material or information in relation to SMG or any person associated with the SMG should be published or posted;
- (e) The clients, partners or suppliers should not be cited or referred to without their approval;
- (f) Any logos or trademarks of the SMG or third party should not be used without express permission of the relevant person;
- (g) Social media shall not be used to defame, abuse, harass or threaten SMG, its associates or any third party, or otherwise violate the legal rights of the SMG in any manner.

SMG expects designated spokesperson to be aware of, understand and follow these guidelines while taking part in any social media interactions related to SMG. These guidelines are not exhaustive but suggestive only.

4.7 Awareness and adherence to SMG Way of Functioning and various SMG's Group level policies

4.7.1 Every person is obliged to strictly adhere and comply with SMG's way of functioning including the values, policies, processes and other standard operating procedures, including, but not limited to the following:

- (a) Insider trading policy;
- (b) Anti-bribery, Gifts , Entertainment and policy;
- (c) Related party transaction policy;
- (d) Whistle-blower policy;
- (e) Prevention of harassment policy;
- (f) Data protection policy; and
- (g) Corporate social responsibility policy (if applicable / adopted by respective SMG entity)

Clarification: For the sake of clarity, it is clarified that SMG reserves the right

to add or delete from the list of policies set out above or amend the terms of any of the policies, without any prior notice. It is expected from all employees/representatives/contractors of SMG that they familiarize themselves with each updated/revised version of the policies and ensure compliance thereof.

4.7.2 Any breach or default in adherence and compliance of SMG’s way of functioning and/or any of such SMG Policy will also be considered a deemed breach of this Code.

5. COMPLIANCE WITH CODE OF CONDUCT

5.1 Each Employee and Contractor of SMG must acknowledge receipt of Code and affirming compliance thereof. Further, each of the Employee and Contractor will provide such a declaration annually to the respective Business Head. All new employees/other persons are required to sign an acknowledgement form confirming that they have read Code and agree to abide by its provisions prior to the date of joining / engagement. The failure to read the Code or sign the acknowledgement form does not excuse an employee from compliance with the Code. A suggestive format is appended as **Appendix A**.

5.2 Concerns about integrity and non-compliance with the Code will be subject to investigation as per process laid down in the Code. The concerned person(s) who is / are found to be non-compliant after investigation, are liable to face appropriate disciplinary action.

6. ADMINISTRATION OF THE CODE

6.1 Roles and Responsibilities of Head of Regional Chairman’s Office

6.1.1 The Head of Regional Chairman’s Office (“**RCO**”) shall be responsible for the implementation and administration of this Code, in their respective region.

6.1.2 The Head of Regional Chairman’s Office may consult the Group General Counsel from time to time as RCO deems necessary for the purposes of implementation of the Code.

6.2 Procedure for reporting and handling of non-compliance

6.2.1 Employees and/or Contractors should report their concerns in respect of any form of non-compliance under this Code, or any facts or circumstances that suggest a past or ongoing violation of this Code.

6.2.2 Procedure for informing non-compliance

- (a) If an Employee or Contractor (“**Reporting Person**”) needs to inform about any non-compliance under this Code, they may do so by writing to RCO with a copy to the Group General Counsel. The role of the Reporting Person shall be limited to raising a legitimate non-compliance under the Code.
- (b) Pursuant to the above intimation, the Reporting Person shall neither have a right to participate in any investigative activities other than as requested by RCO nor, shall be entitled to any further information and/or status of such alleged non-compliance.
- (c) All Investigations shall be carried out under instructions of RCO in consultation with the Group General Counsel. If necessary, RCO and Group General Counsel may request for written documentation and description of the reported event.

6.2.3 Investigation

- (a) RCO will get such alleged non-compliance investigated by appointing a person who may be an Employee of SMG or an external party (“**Investigating Officer**”) to investigate the matter (“**Investigation**”).
- (b) During conduct of the Investigations, Investigating Officer shall make a written report (“**Investigation Report**”) in respect of each non-compliance and submit the same to RCO with copy to the Group General Counsel. The Investigation Report shall include; (i) the facts, documents perused and Employees and/or any other person interviewed; (ii) the implications / outcome, including financial irregularity and any other loss caused as a result of the event or action; (iii) findings and the reasons therefore.
- (c) The Reported Person shall have a duty to provide all necessary co-operation and assistance to the Investigating Officer. However, any such co-operation shall not encroach upon any rights against self-incrimination that such Reported Person shall have available to him/her in accordance with the applicable laws.
- (d) The Reported Person shall not have any right to interfere with the Investigations.

- (e) RCO in consultation with the Group General Counsel will determine whether the allegations stand substantiated or not and shall recommend all measures including any Disciplinary Action required to be taken, if any.

6.3 Reporting to the Board

- (a) RCO shall provide a briefing of the reported cases along with Investigation Report to the Board of respective SMG Company.
- (b) The Board shall take actions as it deems appropriate based on the relevant facts and circumstances.

6.4 Annual Reporting

- (a) Head of Finance and Business Head of the respective business unit(s) shall make a confirmation to RCO's and Group General Counsel confirming compliances of the Policy by the Employees and Contractors reporting/associated with them, together with exception report (if any), within twenty (20) days of end of each of the calendar year (i.e. by 20th January of each year). Such report shall be in the form and format as prescribed by RCO in consultation with Group General Counsel.
- (b) Each RCO's shall submit compliance / exception report to the Group General Counsel one consolidated report for such Region by 15th February of each year).

7. GENERAL PROVISIONS

7.1 No Victimization of Reporting Person

The Head of Regional Chairman's Office and Group General Counsel shall keep identity of the Reporting Person as confidential. SMG accords and undertakes to provide complete protection to the Reporting Person from any victimization and/or unfair treatment in respect of any non-compliance report made *Bona Fide*.

7.2 Consequence of breach

Persons violating any provisions of this Code would be subject to any enquiry and/or investigation as per this Code and would be subject to such Disciplinary Action as may be decided by RCO. Any Disciplinary Action by SMG shall not absolve any person from any action(s), which may be taken by any statutory/regulatory authority.

Clarification: For the purposes of this Code, the “**Disciplinary Action(s)**” means any adverse action taken by SMG against an Employee or Contractor in case of non-compliance of the Policy, including, issue of warning letter, to stop annual increment for defined period, demotion, termination of employment / contract with Contractor, reporting such non-compliance to statutory or regulatory authorities, impose reasonable penalties or of like nature as may be deemed appropriate in given circumstances.

- 7.3 SMG has the right to amend or modify this Policy and any change in the Policy shall require review by the Group General Counsel and adoption by the Board.
- 7.4 In case of a conflict between the provisions of this Code and any applicable law, the more stringent provisions between this Code and such applicable law(s) shall be adopted.

For any clarification / doubt / compliances concerning the Policy please contact Group General Counsel’s Office by sending mail at gco_policyquery@motherson.com with a copy to the Head of Regional Chairman’s Office.

APPENDIX - A

CODE OF CONDUCT

Acknowledgement Form

I have received, read and understood SMG's Code of Conduct as adopted by Board of Directors of Mother'son Sumi Systems Limited on February 13, 2018.

I agree to abide and comply with the terms and provisions contained in the Code of Conduct.

Signature:

Name:

Position in the company/Relationship with the company:

Address:

Date:

Place: