

# THE BHARAT SEATS LIMITED CODE OF CONDUCT

## CODE OF CONDUCT FOR ALL THE BOARD MEMBERS AND FOR SENIOR MANAGEMENT PERSONNEL OF BHARAT SEATS LIMITED

### **I. INTRODUCTION**

This Code of Conduct has been adopted by Bharat Seats Limited to comply with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange.

It shall come into effect from 1<sup>st</sup> January, 2006.

The principal duty of the Board of Directors, alongwith the management, is to ensure that the company is well managed in the interest of shareholders. The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company.

### **II. APPLICABILITY**

This code shall be applicable to the Board members and senior management personnel of the Company.

### **III. KEY REQUIREMENTS**

The Board Members and the Senior Management Personnel shall act within the authority conferred upon them, keeping in view the best interests of the Company and observe the following:

- Act with diligence and integrity.
- Act in utmost good faith.
- Not involve in taking any decision on a subject matter in which a conflict of interest arises, or which, in their opinion, is likely to arise.
- Not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed and permission obtained from the competent authority.

- Not to allow any prejudice, bias, fear or favour cloud the independent judgement and to act in an intellectually honest manner while dealing with all matters to be placed before the Board of Directors.
- To work as a team, with constructive approach.

#### **IV. CONFLICT OF INTEREST**

All Board members and senior management personnel must avoid situations in which their personal interest could conflict with the interest of the Company. Any conflict or potential conflict must be disclosed to the Board for guidance and appropriate action.

#### **V. CONFIDENTIAL INFORMATION**

No Director and no senior management personnel of the Company shall disclose or use any confidential information entrusted to them in carrying out their duties and responsibilities, except where disclosure is approved by the Company or is legally mandated.

#### **VI. LEGAL COMPLIANCE**

Ensuring legal and regulatory compliance is the responsibility of the Directors, along with senior management personnel of the Company. The Company cannot accept practices which are unlawful or may be damaging to its reputation. In case the implication of law is not clear, the course of action chosen must be supported by eminent legal counsel whose opinion should be documented.

#### **VII. HEALTH AND SAFETY**

The Company attaches great importance to a healthy environment and to the safety of its employees. The Company should ensure to improve the environment through continuous improvement and regular updates, in line with the Company's existing Environment Management System. Conditions should be such that there are no serious or fatal accidents. Good physical working conditions, high standards of hygiene and housekeeping are essential. The Board expects all fatal accidents to be

reported together with a detailed report signed with the Chief Executive of the business.

Particular attention should be paid to training of employees to increase safety awareness and adoption of safe working methods.

## **VIII. INSIDER TRADING**

Director should observe all applicable laws and regulations, including the Company's policies as applicable to them with respect to purchase and sale of the Company's shares.

It is the responsibility of each director to become familiar with and understand these laws, regulations and policies and should seek further explanations and advice concerning their interpretation, if required.

Directors should direct questions regarding the application or interpretation of these guidelines to the Company Secretary.

## **IX. ENFORCEMENT OF CODE OF CONDUCT**

Each Board Member and Senior Management Personnel is accountable for complying with this code.

## **X. NON COMPLIANCE**

Suspected violations of this code may be reported to the Chairman of the Board or the Chairman of the Audit Committee. All reported violations should be appropriately investigated.

## **XI. AMENDMENTS TO THE CODE**

The provisions of this code can be amended/ modified by the Board of Directors of the Company from time to time and all such amendments/ modifications shall take effect from the date stated therein.

