

Ethics and Code of Conduct for RP-Sanjiv Goenka Group Employees

1.0 ETHICS

1.1 Background

A conflict of interest could be defined as a situation that arises when a decision making authority is seen to have a personal stake in the outcome of the decision itself. This policy covers various situations which a Group employee may face in the areas of financial control, personal integrity, conflicts, etc, and the role which they should play in such circumstances. This policy provides a common code of conduct, which should be adhered to, by all the Group employees.

1.2 Objective

Although, RP-Sanjiv Goenka Group recognizes and respects the right of employees to take part in activities outside their jobs, those activities must be lawful and free of conflicts with their responsibilities as Group employees. Employees must not misuse Group resources or influence, or discredit RP-Sanjiv Goenka Group's good name and reputation. All Group Employees must ensure fair dealings with Customers, Suppliers and Colleagues.

Following are the broad parameters of the policy and the framework for proper employee conduct.

1.3 EXAMPLES OF CONFLICTS OF INTEREST WHICH ARE TO BE AVOIDED

- a. Holding financial interest directly or indirectly, including through close relatives in:
 - i. A company to which business is given.
 - ii. In a company in which the employee is involved in making a buy-out decision.
- b. Directing business to a supplier managed by a relative or close friend.
- c. Soliciting subcontractors and vendors for donation/advertisements to a charity, in which the employee is involved.
- d. Using company facilities for personal purposes or for spouse's/relatives business.
- e. Treating personal expenses / trips as business expenses / trips

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- f. Taking a part-time job requiring the employee to spend time, during normal working hours or using office equipment in meeting personal responsibilities.
- g. Making a promotion decision about a spouse or relative.

1.4 CONSULTANCY

This should be avoided by all full time employees of the Group

1.5 MEMBERSHIP OF SOCIAL SERVICE ORGANISATIONS

Potential conflicts arise when an employee takes up memberships of Organisations and Associations that undertake Social Service of various kinds. Conflicts arise in the form of fund-raising from RP-Sanjiv Goenka Group Companies for such Associations/Organizations, using company infrastructure and facilities to discharge responsibilities towards that organisation and providing use of such facilities directly to the Association/Organisations and its members. Prior approval from President/CEO should be obtained, for undertaking such activities.

1.6 GIFTS

- a. The Employee shall not seek or solicit any kind of favours, cash or kind, either directly or through, and/or for, spouse or any other relative, from suppliers, contractors and/or vendors.
- b. Buying equipment from suppliers for personal use at high discounts is absolutely prohibited.
- c. Accepting free trips/holidays within India and/ or abroad for employees/members of employee's family, from suppliers is also absolutely prohibited.
- d. Business associates such as JV partners, technology suppliers and other closely related companies may also make similar offers. These should be reported to Sector Heads, who shall provide guidance.
- e. Small value gifts and flowers on festive occasions from anyone are normally acceptable but, high value gifts – those in excess of Rs.500, should be reported to the CEO / Sector Heads, before acceptance.



1.7 DIRECTORSHIP OF FIRMS AND COMPANIES OUTSIDE THE GROUP

All Directorships should be cleared by the Chairman's office.

1.8 RELATIVES AS COMPETITORS

Close relatives in the employment of competitors should be disclosed with details of relationship and responsibilities held.

If employment is unavoidable or an ongoing one for a long time, employee should exercise great discretion in maintaining confidentiality of Group / company information

1.9 CONFIDENTIALITY AND DISCRETION

Employees should, at all times, realise that they are in possession of sensitive, classified and confidential information that should not be parted with, in any circumstances to Competitors, Investment analysts, Stock brokers, Newspaper reporters and Media persons. Some illustrations of such information are given here.

- A) Financial Information.
- B) Tax Planning measures.
- C) Potential Joint Venture deals being negotiated.
- D) New product introductions.
- E) Manufacturing process and recipe for products.

Employees should maintain total confidentiality with any such classified information.

In the event of any query, clarification or explanation sought by any statutory authority, government official and/ or police or judicial authority, the employee may, after taking prior approval of the CEO/ MD/ President, part with such sensitive, classified and confidential information.

1.10 COMMON CONTRACTORS FOR RESIDENTIAL HOMES OF DECISION-MAKERS AND OF THE PLANT.

Employees should not have the same contractors / architects, who are doing work for the company, for their personal jobs.

1.11 ACCEPTING HONORARIA FOR LECTURES OUTSIDE

This is permissible provided:

- a) Advance clearance is obtained from CEO / Sector Heads.
- b) Proprietary RP-Sanjiv Goenka Group information is not revealed in the talk.

1.12 FINANCIAL INTEREST

Among the most common types of financial interest are:

- a) Ownership of equity.
- b) Partnership interest.
- c) Direct or indirect interest through a trust or other relationship.

Financial interest is a problem as soon as it presents a potential for conflict of interest with responsibilities a Group employee.

For example, the employee's job might involve selecting suppliers, selling to customers, or extending credit to other companies. A potential problem might exist if the employee – or a relative – also had a personal financial interest in one of those companies.

The interest could be direct or indirect – what matters is the fact that actions as a Group employee might affect the value of the interest in the other company.

Discretion and great care are recommended for all such opportunities. The Sector Head must be kept informed.



1.13 SETTING UP PART – TIME BUSINESS OR TAKING PART TIME JOBS

This is not permissible. Every Group employee is expected to give the best in terms of time, creativity and energy. Moonlighting will impede employee performance and will result in a conflict of interest situation.

1.14 INSIDER TRADING AND STOCK TIPPING

SEBI prosecutes insider trading and imposes severe penalties on persons and organizations involved therein. Avoiding this kind of activity within the Group is of utmost importance. An insider trader is one who –

- a) either on his own behalf or any other person, deals in securities of a body corporate listed on the stock exchange, on the basis of any unpublished price sensitive information ; or
- b) communicates any unpublished price sensitive information to any person with or without his request, for such information, except as required in the ordinary course of business or under any law; or
- c) Counsels, or procures for any other person, to deal in any securities or any body corporate, on the basis of unpublished price sensitive information.

We are committed to the principles of fair and open markets for publicly traded securities – where everyone has an equal chance to succeed. At the same time, all Employees must exercise great care that none of the above is ever violated.

1.15 PERSONAL INTEGRITY

In day – to – day work most employees are called upon to support broad company objectives like providing equal employment opportunity and environmental protection. Some responsibilities are on a more personal level. For example, every employee also has a direct role in helping to keep the company’s records accurate and in protecting company assets

Other issues can challenge individual integrity. Sometimes the chance for illegal or unethical personal gain will arise. That is when employees must remember that integrity depends on individual integrity. Every employee should develop the ability to distinguish the right from the wrong and relentlessly follow the right – even when it may be very tempting to do otherwise.

1.16 FINANCIAL CONTROLS & RECORDS

Every employee should follow financial accounting, reporting and control procedures, as well as rules for the release of financial information outside the company.

Whether a time card is being filled-out, purchase orders are being prepared or financial status of the company is being reported, the accounting, reporting and control procedures are to be strictly followed. Records are to be kept accurately, timely, completely and the security of assets must be protected.

From time to time auditors may want to look at files and discuss matters with employees. Every employee should welcome these reviews because they are designed to prevent problems from occurring. Under company policy, every employee is obligated to give auditors full access to records and any other co-operation required.

Also, all financial information should be kept confidential and should be released to others, only after considering the interests of the company as a whole and after appropriate authorization.

1.17 SEXUAL HARASSMENT AT WORKPLACE

The Supreme Court has laid down stringent rules in this regard. Equality in employment can be seriously impaired when women are subjected to gender specific harassment such as sexual harassment at workplace. Such conduct is discriminatory when the woman has reasonable grounds to believe that her objection would disadvantage her in connection with her employment, including recruitment or promotion, or when it creates a hostile working environment.

RP-Sanjiv Goenka Group strongly believes in Equality in employment. The Group understands that Equality in employment can be seriously impaired when women are subjected to gender specific harassment such as sexual harassment at workplace. It is expected of all the Group employees to always maintain equality of employment and to prevent the commission of acts of sexual harassment.

Sexual harassment is defined as unwelcome sexually determined behavior as –

1. Physical contact and advances;
2. A demand or request for sexual favours;
3. Sexually coloured remarks;
4. Showing pornography;
5. Any other unwelcome physical, verbal or non-verbal conduct of sexual nature.



In this regard, the Employee can refer to the procedure for resolution, settlement or prosecution for acts of sexual harassment. For this purpose, a full set of guidelines is available with each company.

Any such incident must be reported to the Head of the Company and or the Person (s) in-charge of work place so that appropriate steps are taken to prevent sexual harassment.

1.18 CORRECTIVE ACTION

- a) Corrective action may be required even if an employee reports a Potential conflict of Interest. There need only be realistic possibility of injury to RP-Sanjiv Goenka Group for a manager to consider taking corrective action. If situation could impair an employee's judgment or performance of company duties, damage RP-Sanjiv Goenka Group reputation, or result in a direct financial loss to RP-Sanjiv Goenka Group, steps should then be taken to correct the situation.
- b) While the code has attempted to cover a number of areas, it cannot be comprehensive. Whenever any conflicts are perceived, it is best to consult the President / CEO / superior before taking any decision, in such cases.
- c) A Group Ethics Committee comprising of the President Corporate HR and two Sector Heads nominated by Group Chairman, has been formed. Any queries related to the ethical policies may be referred to this committee, for resolution. Query in this regard can be sent to President Corporate HR of the Group.
- d) Similarly, any breach of ethics or any anonymous letters should be referred to this committee, for further action. This committee has been empowered to initiate any inquiry proceedings / investigations and decide upon penal actions. The decision taken by the committee will be final and binding.

2.0 CODE OF CONDUCT

- 2.1 An employee shall devote his / her whole time and attention to and use his / her best skills and care in the business and affairs of the Company and at all times faithfully and diligently perform such duties assigned to him / her by the Company.
- 2.2 An employee shall not at any time during the continuance of the employment hereunder solicit, seek, engage or be interested or concerned either directly or



indirectly or alone or jointly in any other office, trade, business or occupation save the previous permission in writing of the Company.

- 2.3 Notwithstanding anything to the contrary in this document if, in the opinion of the Company, an employee commits any breach in the observance of performance of his / her obligations hereunder or if the employee is, in the opinion of the Company, guilty of any misconduct, including disobedience, breach of duty or gross carelessness or if the employee absents himself / herself without leave then and in any and every such case it shall be lawful for the Company, (notwithstanding any waiver by the Company of antecedent breach or circumstances justifying the termination of the services of the said employee under this clause) to terminate his employment forthwith without notice whatsoever and/or to dismiss the employee from the services of the Company without prejudice to the Company's remedial rights in respect of such breach or circumstances. In the event of such termination or dismissal the employee will be entitled to his / her salary if any, only upto the date of termination.
- 2.4 As a corollary to his / her obligation, under 2.1, the employee shall devote his / her whole-time attention to the Company and will use his / her best skills and care for the benefit of the Company. Any discovery or invention or secret process or improvement in procedure made or discovered by the employee or any work capable of copy right whilst in the service of the Company in connection with or in any manner affecting or relating to the business of the Company or capable of being adopted for use therein or in connection therewith shall forthwith be disclosed to the Company and if and whenever required to do so by the Company, the employee shall, at the cost of the Company, apply or join the Company in applying for letters patents or other equivalent protection in India and in any other part of the world for any such discovery, invention, process or improvement as aforesaid and shall at the cost of the Company execute and do all instruments and things necessary for vesting the said letters patents or other equivalent protection when obtained and all right, title and interest to and in the same shall vest in the Company absolutely and as sole beneficial owner or in such person as Company may specify.
- 2.5 During employee's association with the Company, he / she will have access to and be furnished with such information, trade secrets, processes, inventions, customer/supplier lists, etc. which would be sensitive for the Company and therefore would be treated as absolutely confidential (Confidential Information) and he / she may himself / herself develop or be a contributory to such Confidential Information. Hence, as a corollary to employee's bounden duty to act always in the interest of the Company, he / she shall be obliged not to divulge or communicate to any person other than necessary to those who need to know such information for the Company's business and use such Confidential Information solely for the benefit and in the best interests of the Company.



- 2.6 (a) As such Confidential Information belongs to the Company and is always to be used for the Company's benefit, needless to mention, such obligation on the part of employee will have to be honoured, even after he / she ceases to be associated with the Company. Considering the sensitivity of the confidential information which will come to the knowledge of the employee, he / she shall not engage in any activity even after ceasing to be in employment with the Company, which will adversely affect the interest of the Company including advising and utilizing the information for the benefit of any party to the disadvantage of the Company.
- (b) Hence the employee shall not, either directly or indirectly, at any time within twelve months after cessation of his/her employment with the Company, take up any employment or assignment or partnership or proprietorship or become a director, shareholder, agent or associate or be associated in any manner, whatsoever, with / in any business or organization, which is in competition with the Company.
- (c) An employee can also during the tenure with the Company and during the notice period prior to his/her separation with the Company, be restrained from coming to work, associating or communicating with the Company officials for such time as is considered necessary.
- 2.7 An employee shall not at any time within twenty-four months after the cessation of his/her employment with the Company, either directly or indirectly, or through any proprietary firm or a partnership firm in which he / she is a partner or through any Company in which he / she is a shareholder or director, or associated in any manner whatsoever, solicit or employ or appoint as agent, or associate with, any employee or officer of the Company unless a period of twelve months has elapsed since the date of separation of the concerned employee, agent or associate, unless specifically approved by the Chief Executive of the Company.
- 2.8 It is hereby agreed by the employee that in the event of a breach of clause 2.6 and 2.7 above, the Company shall be entitled to initiate appropriate legal proceedings for the redressal of the damage including proceedings to restrain him / her from continuing the said breach.
- 2.9 An employee shall also not request, encourage or cause any of the past, present or prospective customer, supplier, employee, independent contractor to withdraw, curtail or cancel a business relationship with the Company or otherwise interfere in any manner with the relationship between the Company and such past, present or prospective customer, supplier, employee, independent contractor.
- 2.10 An employee shall fully comply with all rules and regulations as applicable in the Company as well as RP-Sanjiv Goenka Group Corporate Governance Policies.

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