



ESCORTS

CODE OF CONDUCT

FOR

BOARD MEMBERS AND SENIOR MANAGEMENT OF THE COMPANY

I. INTRODUCTION

- 1.1 The Code of Conduct (hereinafter referred to as “the Code”) shall be the Code of Conduct for Board Members and Senior Management Personnel (hereinafter referred to as “the Officers”) of Escorts Limited (hereinafter referred to as “the Company”).
- 1.2 The Officers are expected to read, understand and to uphold standards set out under the Code.
- 1.3 The Code shall come into force with effect from January 1, 2006.
- 1.4 The purpose of the Code is to further enhance the existing ethical and transparent process in the management of the Company. However, the Code is not intended to cover every legal or ethical issue that may arise in course of the business.

II. DEFINITIONS AND INTERPRETATIONS

- 2.1 Board Members: Board Members shall mean the Members on the Board of Directors of the Company.
- 2.2 Senior Management Personnel : Senior Management Personnel means:
 - I. Executives in the grade of Associates Vice President and above; and
 - II. Functional Heads;
- 2.3 Family: Family shall mean the dependent family members (i.e. spouse, son, daughter and parents) of an individual.

- 2.4 Interest in Transaction: Interest in transaction mean any material pecuniary interest in any contract or arrangement, either by himself/ herself or through his/ her family.

III. APPLICABILITY

The Code shall be applicable to the following category of persons:

1. Board Members; and
2. Senior Management Personnel.

(hereinafter collectively referred to as 'the Officers')

IV. KEY REQUIREMENTS

1. Integrity

The Company expects every Officer to accomplish all tasks, while working in the Company as well as while representing the Company, with highest degree of honesty, integrity and professional ethics.

2. Conflict of Interest

- i. Our officers and executive directors shall always act in the interest of our company and ensure that any business or personal association including close personal relationships which they may have, does not create a conflict of interest with their roles and duties in our company or the operations of our company. Further, our officers and executive directors shall not engage in any business, relationship or activity, which might conflict with the interest of our company or our group companies.
- ii. Should any actual or potential conflicts of interest arise, the concerned person must immediately report such conflicts and seek approvals as required by applicable law and company policy. The competent authority shall revert to the employee within a reasonable time as defined in our company's policy, so as to enable the concerned employee to take necessary action as advised to resolve or avoid the conflict in an expeditious manner.
- iii. Notwithstanding such or any other instance of conflict of interest that exists due to historical reasons, adequate and full disclosure by interested

officers shall be made to our company's management. At the time of appointment in our company, our officers and executive directors shall make full disclosure to the competent authority, of any interest leading to an actual or potential conflict that such persons or their immediate family (including parents, siblings, spouse, partner, children) or persons with whom they enjoy close personal relationships, may have in a family business or a company or firm that is a competitor, supplier, customer or distributor of, or has other business dealings with, our company.

- iv. If there is a failure to make the required disclosure and our management becomes aware of an instance of conflict of interest that ought to have been disclosed by an employee or executive director, our management shall take a serious view of the matter and consider suitable disciplinary action as per the terms of employment. In all such matters, we shall follow clear and fair disciplinary procedures, respecting the employee's right to be heard.

3. **Gifts and other benefits**

No Officer either himself / herself or through his family shall solicit, accept or retain any gift, entertainment, trip discount, service, or other benefit from any organization or person doing business or competing with the business of the Company, other than:

- (a) modest gifts, courtesy or entertainment as a part of normal business courtesy and hospitality that will not affect his responsibility, duty or honesty towards the Company; and
- (b) acceptance of benefit that has been disclosed to the Company. Acceptance of cash gift is strictly prohibited.

4. **Confidentiality of Information**

The Officers are under obligation to maintain the confidentiality of the information coming them during the course of the employment/ by virtue of being the member of the Board of the Company except in the ordinary course of discharge of their duties.

No Officer of the Company shall disclose any information either formally or informally, to media or press unless specifically authorised by the Company.

No Officer of the Company shall disclose confidential information even after he/she ceases to hold such office.

5. **Use of Company's fund and Assets**

It is expected from all the Officers of the Company to use the Company's funds diligently. Using Company's assets for personal gain is prohibited.

6. **Corporate Opportunities**

No Officer of the Company shall work as Director of any other company or as a partner of a firm, which is engaged in the business competing with the business of the Company at large.

7. **Compliance with Laws**

The Officers of the Company are expected to comply with the requirements all laws, rules and regulations etc. applicable to their respective areas of operations.

The Code is in addition to and not in derogation with any Act, law, rules and regulations, and all other applicable policies and procedures adopted by the Company that governs the conduct of its Officers.

8. **Transactions in Shares of the Company**

No Officer of the Company shall indulge in trading in Company's securities on the basis of Unpublished Price Sensitive Information.

Officer who intend to deal in the securities of the Company, shall get the transactions pre-cleared by applying to Compliance Officer if there are total purchases/ sales transaction/ trades involving the market value of Rs. 10,00,000/- or more in a calendar quarter.

9. **Sexual Harassment**

Every Officer of the Company shall treat employees of the Company and all other persons while discharging his/ her duties, with dignity and respect and in the manner so as to maintain a work environment free of sexual harassment, whether physical, verbal, written or psychological or in any other suggesting manner.

10. Maintain the Goodwill / Trade-name

No Officer of the Company shall act in a manner which will tarnish the image/ reputation/ tradename/ Goodwill of the Company by his/ her conduct.

11. Duties of Independent Directors

The duties of Independent Directors as defined under the Companies Act, 2013 are as follows:

- a. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- b. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- c. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- d. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e. strive to attend the general meetings of the company;
- f. where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- g. keep themselves well informed about the company and the external environment in which it operates;
- h. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- j. ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- k. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- l. acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- m. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price

sensitive information, unless such disclosure is expressly approved by the Board or required by law.

12. **Fair Competition**

- a. We support the development and operation of competitive open markets and the liberalisation of trade and investment in each country and market in which we operate.
- b. We shall not enter into any activity constituting anti-competitive behaviour such as abuse of market dominance, collusion, participation in cartels or inappropriate exchange of information with competitors.
- c. We collect competitive information only in the normal course of business and obtain the same through legally permitted source and means.

13. **Compliance with Code of Conduct**

This is obligatory on the part of every Officer to make the disclosure under the Code affirming their adherence to the Code as per the format given in 'Annexure A' of the Code. This disclosure shall be made to the Company Secretary/ Compliance Officer within 30 days of close of every financial year.

ESCORTS LIMITED

Corporate Secretariat

Phone : +91-129-2250222, Fax : +91-129-2250060, 2250058

E-mail : corpsl@escorts.co.in, Website : www.escortsgroup.com

Registered Office: 15/5, Mathura Road, Faridabad - 121 003, Haryana, India

CIN - L74899HR1944PLC039088

Annexure A



ESCORTS

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**COMPLIANCE OF CODE OF CONDUCT FOR BOARD MEMBERS
AND SENIOR MANAGEMENT OF THE COMPANY***

I, _____ do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the CODE OF CONDUCT during the financial year ended on

Signature :

Date :

Name :

Place :

Designation :

* to be submitted within 30 days of close of every Financial year.