

BAJAJ AUTO

CODE OF CONDUCT

PREAMBLE:

The objective of this code is to provide guidance on day-to-day situations an employee may face in the course of discharging his/her duties.

The code is not an attempt to detail out all rules and regulations nor is it intended to replace any existing law of the country. It supports and clarifies an accepted professional behaviour. This code forms part of the service conditions of the employee.

It is the commitment of the employee, business associates and other concerned parties, which will make the Code effective and a way of being associated with the Company, which believes in the dignity of the individual, fair and professional in business dealings and respects the law of the country as well as the cultural and social norms of the company as also the country.

The "Code" is applicable to all employees and comes into effect immediately.

CODE:

There are 3 elements to the code of conduct:

1. Good working norms
2. Cultural norms
3. Integrity norms

Within each element the code describes the purpose of creating that norm, states what the norms are and mentions how violations of the norm need to be dealt with.

1. GOOD WORKING NORMS

The objective of this element is to provide a framework to employees to discharge their duties effectively without compromising on the interests of the company. Effective practice of these norms will create a good working environment and prevent any damage to the organization's image in the eyes of the public.

1.1 Part-time employment / consultancy etc.

The Company's service conditions prohibit employees from taking up any outside employment or assignment whether on part time basis or on consulting basis for remuneration or otherwise. If it needs to be done, it would require prior approval of the MD.

Professional bodies, other organizations or academic institutes may invite an employee to share their experiences in various kinds of forums. These invitations may either be on a paid or an honorary basis. Such requests may be allowed on a case to case basis provided they further the learning opportunities of the employees and enhance the image of the organization. However, towards this, we expect that the employee will not misuse company's resources nor will divulge sensitive and confidential information of the organization. In all such forums, the employee will participate in his/her individual capacity and state upfront that his/her thoughts and ideas do not necessarily represent the company's policy. All such requests have to be cleared by the concerned GM/VP and HR.

1.2 Dealing with press & media

The company has designated spokesperson for each area. Only those persons will interact with press & media. This is to help minimize the probability of any misinformation or misinterpretation by media that could harm the organization.

1.3 Utilization of Company's special rates

Employees may avail of special rates negotiated by the company with associates for their personal use provided the associate is willing to extend the same rates and the employee makes full payment without any delay. A few examples of this are - Hotel discounts, Taxi

rates, using the services of a transporter to shift personal goods etc. In all such cases the employee has to ensure that the associate is offering the rate voluntarily and the entire payment is made in a transparent fashion along with supporting invoices and receipts.

1.4 Misuse of Company's resources

Employees will not misuse the company's resources for personal ends. Some examples are – indiscreet utilization of telephone, fax, photocopying facilities, stationery, undertaking official tours for personal purposes etc.

1.5 Political activities

The employee's political leaning in one's social life is his/her personal choice. At work place the employee needs to be completely apolitical and not indulge in any political activities such as canvassing for any party/ position/ person etc. Employees, who in their individual capacity wish to contest any elections for any legislative office or municipal or local panchayat council, will be required to take the prior written permission of the Chairman.

1.6 Safety

Employees need to follow all safety norms & report unsafe situations and unsafe acts to the designated Safety Officers.

1.7 Environment

Each one of us can contribute to reducing the negative impact on the environment. It is important that employees increase awareness of the environmental impacts in their area of work and report deviations, if any, to their superiors.

1.8 Wastage

Eliminating waste & conserving resources is one form of contributing to a better environment. It is expected that employees will be conscious of conserving all resources and eliminating waste around their work areas proactively.

1.9 Privacy

Employees will respect the privacy of their colleagues. Acts such as tapping telephones, hacking into computers, checking office storage or displaying excessive curiosity in their personal lives should be avoided.

1.10 Refer Annexure A for Policy on Prevention of Sexual Harassment (POSH) at workplace.

2. CULTURAL NORMS

This element is about enabling individuals to live the Bajaj Way. It recognizes the dignity of individual and provides a framework on day-to-day dealings with various stakeholders (employees, business associates & customers). Following these norms helps build a culture that can then enable them to live the Bajaj values.

2.1 Accountability

Employees should take ownership of their actions & the consequences of their decisions and should not shift blame on other colleagues.

2.2 Dignity

Employees should treat every individual (subordinates, colleagues, business associates, customers) with respect and dignity – e.g. shouting, insulting, bad mouthing etc. should be avoided.

2.3 Openness

Employees should encourage others (subordinates, colleagues, business associates or customers) to speak out their mind and should be open to suggestions contrary to their own. They should seek true and honest feedback and should not victimize individuals who have valid grievances.

2.4 People Development

Employees should show genuine interest in developing their colleagues/ subordinates by giving clear constructive feedback vis-à-vis expectations on a periodic basis to improve

their performance. They should guide subordinates and provide the required resources to develop their competency.

2.5 Fairness/Objectivity

Employees should deal with each individual (subordinates, colleagues, business associates or customers) fairly without any prejudices or biases. Merit is the sole criteria for all actions / decisions towards employees.

3. INTEGRITY NORMS

This element is to reinforce the practice of the value of integrity. Integrity is about people doing the right thing – not looking for personal gain or to reward others by taking advantage of ambiguity or uncertainty. Adhering to these norms prevent damage to the organization in financial or information terms or to the organization image in front of regulatory authorities or society at large. Financial & intellectual integrity is critical to an organization's wellbeing and it is the honesty of employees on these fronts that ensures that.

3.1 Avoiding Bribes

No employee should receive or give bribes in any form. In case a business associate offers to give a bribe, please report it immediately to your supervisor, functional/ business head & to HR head. If you experience any employee demanding or taking bribe from any business associate, please report it to the same set of people mentioned above. Your name will be kept confidential for giving such information.

3.2 Availing of favours from Business Associates

Requesting favours from Business Associates that involve inappropriate financial expense by them tantamount to lapses of financial integrity. Examples of such favours are request for loans, transportation for personal use, jobs for relatives and friends, subsidized services etc.

3.3 Gifts from Business Associates

Business relationships may lead business associates to offer gifts to employees on various occasions (especially festive occasions). In such a situation, nominal gifts such as dry fruit & sweet boxes, articles like pens, pen stands, paperweights etc may be accepted (of a value not exceeding Rs.500/-) where it becomes embarrassing to decline. All other gifts in kind or cash from any business associate should be declined politely by explaining our company policy.

In rare cases where the gift is received from an anonymous source or it is not possible to return, the same should be deposited with the name of donor (if known) with the designated person as given below: Gifts of value, other than the items mentioned above or similar, will be considered as a bribe and dealt with accordingly.

3.4 Wrong expense claims

Employees will not make any wrong or fraudulent claims on the company deliberately. Doing so will tantamount to defrauding the company and will be seen as a financial integrity lapse.

3.5 Confidentiality

The company's service conditions include a detailed confidentiality clause. As employees, we are in the know of a lot of sensitive information, which if it falls in the wrong hands may hamper our business. We have to exhibit a strong sense of confidentiality especially when we are in informal social settings. For example, discussing the company's new product plans in a social or any other gathering should be avoided. Refer **Annexure - B** for confidentiality related to Information Technology.

3.6 Insider Trading

Employees will not take advantage of confidential information to deal in company's shares. Detailed guidelines have been issued to concerned employees on insider trading and these should be adhered to.

4. MECHANISMS TO ENABLE PRACTICE OF & DEALING WITH VIOLATIONS OF VARIOUS NORMS

Each element requires different mechanisms based on the approach to enablement as well as the approach to the consequences. These are given below for each element.

Any violation of Code of Conduct may result in appropriate disciplinary action including termination of service without any notice or salary in lieu of thereof.

4.1 For Good Working Norms

Practice of good working norms gets strengthened when there are social pressures to comply with them. It is therefore important that each person in individual capacity as a colleague or supervisor of another individual encourage them to understand & comply with the norms. If there is a deviation from the norm, a colleague or supervisor / department head (as appropriate in that situation) could either counsel the particular individual or take actions that socially embarrass the individual and deter the employee from repeating the same in future. For example, if a person has not taken adequate safety precautions, the person could be kept away from the task to drive home the message.

However, there may be instances that need to be tackled beyond colleagues. This could be true especially in the case of sexual harassment. In such cases, any employee or employee of the business associate who either is a victim of such an act or who is a witness to such an act should lodge a formal complaint to an Internal Complaints.

Committee (ICC) as per POSH policy at the work place. Any such complaint related to POSH can be sent to 'assure@bajajauto.co.in.' The committee will protect the identity of the complainant and will investigate the facts of the case. Based on the findings of the ICC, Head HR will decide on the disciplinary action after discussion with Enforcement Committee (EC). Suitable punishment, including dismissal from service will be imposed on the guilty. **(Refer Annexure – A for more details)**

4.2 For Cultural Norms

Desired culture gets built when cultural norms are practiced consistently over a period of time. Here again, social pressure & demonstration by leaders play an important part in enabling practice of these norms. Proactive developmental feedback also enables practice as well as help correct violations. It is therefore important that colleagues/supervisors give feedback to an individual when they notice a violation.

Over a period, a formal feedback (360-degree feedback mechanism) can enable development to prevent violations. Sometimes, even these mechanisms may not lead to a course correction.

In such situations, the individual could seek course correction as per the process mentioned in the grievance redressal policy.

4.3 GRIEVANCES REDRESSAL POLICY

Violations of cultural norms that lead to personal grievances & are not addressed through the modes of counselling, feedback etc. could be referred upwards as per this policy.

- a. Personal grievances are those acts of commission or omission that result into violation of personal rights or dignity of an individual in the capacity of an employee of the company. E.g. Superior being partial, Superior using rough language etc.
- b. The aggrieved employee shall first address his grievance to the concerned General Manager either in writing or orally. The concerned GM has to resolve the issue in not more than one week's time.
- c. In case the employee is not satisfied with the resolution of the issue or the resolution is delayed, he shall take it up with the concerned Function Head/BU Head, who will have to resolve the issue in one week's time.
- d. As a third step, the employee, if not satisfied at stage 2, shall put the facts in writing including the decisions of the General Manager and Function Head/BU Head to the Enforcement Committee mentioned in the Whistle Blower policy, which will resolve the issue in four-week time.

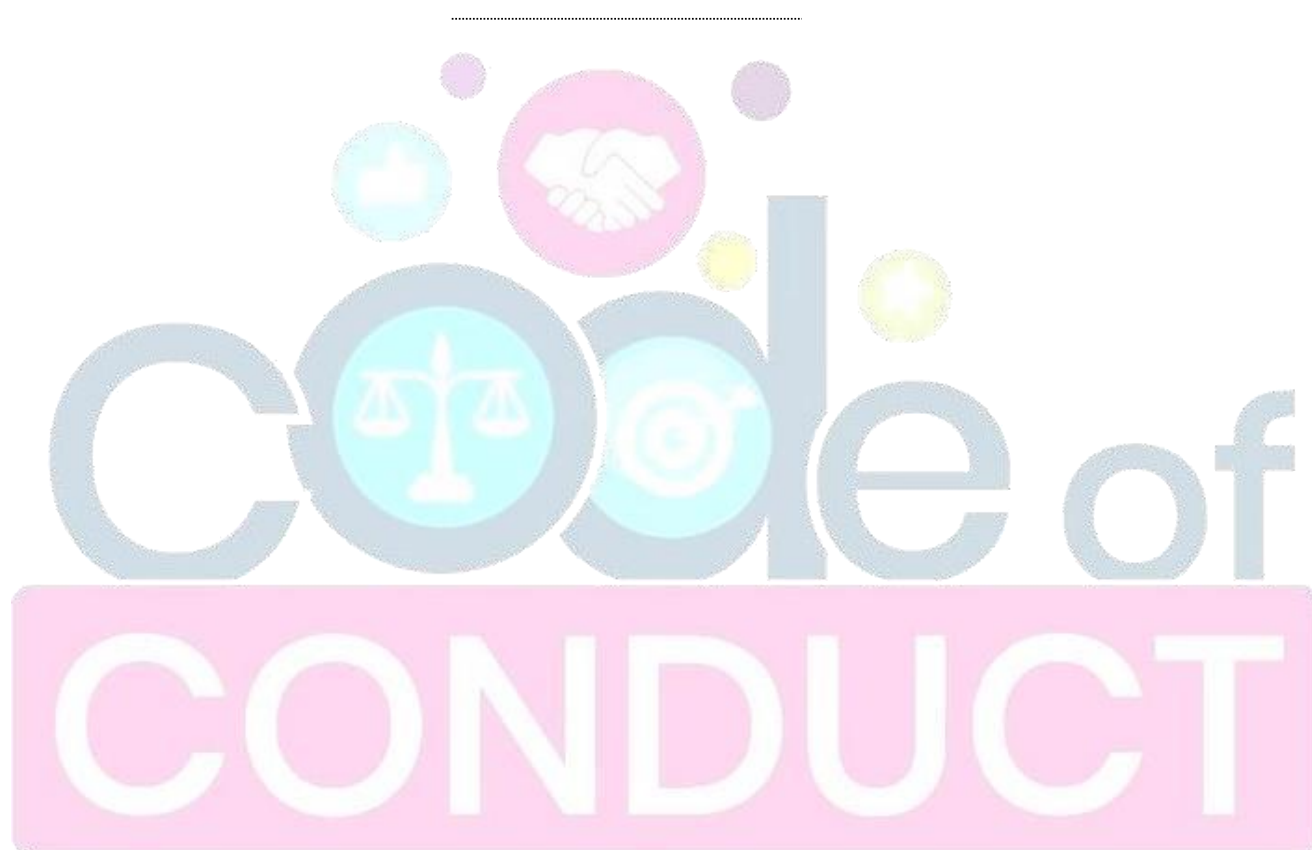
4.4 For Integrity Norms

Practice of the value of integrity can be enabled through two routes – one is by recruiting such people who hold integrity as a value and second by setting an example of those who display an intentional integrity lapse through serious action of dismissal (after following the process of natural justice or based on the guidelines of SEBI, in cases of insider trading).

Alert employees play a key role in enforcing this norm.

They can report a violation as per the process mentioned in the whistle blower policy. Appropriate action against the individual who has violated this norm intentionally will be taken as per the process mentioned in that policy.

4.5 WHISTLE BLOWER POLICY (Refer Annexure – C).



ANNEXURE-A

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Bajaj Auto Ltd. has always held in highest regard the dignity of its employees. Our Code of Conduct specifies guidelines on professional behaviour to be practiced at the workplace. It also testifies our commitment to provide a safe, secure and productive work environment to all our employees. All employees are expected to maintain decorum at the workplace, respect the dignity of co-workers and contribute in making the work environment conducive for achieving the Company's goals & objectives.

We reaffirm that the Company shall act as per all applicable laws and guidelines including the legislation titled Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act 2013 by Government of India. This policy on Prevention of Sexual Harassment at Workplace (POSH Policy) reiterates the intention of the Company to prevent sexual harassment at workplace.

1. Objectives of the POSH policy:

- a. To prevent sexual harassment at workplace.
- b. To spread awareness among employees about sexual harassment and consequences of violations.
- c. To provide guidelines and mechanism of effectively dealing with complaints of sexual harassment in case such incidents happen.

2. Applicability:

Workplace means all plants, locations and regional offices of the Company, including any place visited by the employee arising out of or during the course of employment including transportation provided by the company for undertaking such journey.

This Policy is applicable to all employees of the Company at all its locations including trainees, apprentices and probationers. Redressal under this policy can also be sought by

visitors/ employees of business partners who deal with the Company's employees and come across any such incident.

3. Definition of Sexual Harassment:

Sexual Harassment includes:

- a. Physical contact and advances
- b. Demand or request for sexual favours
- c. Making sexually coloured remarks
- d. Showing pornography
- e. Circulation or publication of any form of physical or electronic form of photographs, pictures or any form of graphical material of an employee, either directly or indirectly, to create disrepute to any employee
- f. Implied or explicit promise of preferential treatment
- g. Implied or explicit threat of detrimental treatment
- h. Implied or explicit threat of present/future employment status
- i. Interference with work or creating hostile work environment
- j. Humiliating treatment related to health / safety
- k. Any other unwelcome physical, verbal or non-verbal conduct of sexual nature.

4. Internal Complaints Committee (ICC)

In order to help implementation of this policy an Internal Complaints Committee has been constituted with the following members:

Akurdi Internal Committee, PoSH		
S. No.	Name	Role
1	Khushboo Bherwani, Mgr (HR)	Presiding Officer
2	Narayan Sundararaman, Head (CMU)	Member
3	Gorakh Velapurkar, VP (Materials)	Member
4	Meena Nambiar, Mgr (R&D)	Member
6	Vartika Singh, Mgr (HR)	Member
7	Archana Singh, Advocate	External Member

Circle Wise Internal Committee Member, PoSH		
S. No.	Circle	Member
1	North	Dhruv Verma, VP (MC Sales-North)
2	East	Karan Sinha, VP (MC Sales -East)
3	Central	Arnab Guha, VP (MC Sales -Central)
4	West	Gaurav Srivastava, VP (MC Sales- West)
5	South	Gaurav Rathore, Div. Mgr (IBU Sales -South)

The ICC will investigate the complaints of sexual harassment, record the testimonies & evidences submitted by all parties and recommend appropriate redressal / disciplinary action to Head (HR). For the purpose of making inquiry ICC shall have the power to summon witness and demand production of documents / evidences required for the investigation. The ICC will submit an annual report to the Company/ Local Complaints Committee appointed by the Government.

5. Grievance Redressal Procedure:

- An aggrieved person can make a written complaint to any member of the ICC or by e-mail to 'assure@bajajauto.co.in' within three months of the occurrence of the incident. ICC will investigate and submit their recommendation to Head (HR) within 90 days from receipt of the grievance.
- Head (HR) will decide on the disciplinary action after discussing with the 'Enforcement Committee' and disciplinary action will be implemented within 60 Days from the date of receipt of the recommendation from ICC.
- The aggrieved party will be informed of the decision and action taken by the ICC.
- In case the aggrieved person so desires, the company shall assist in filing the complaint under the IPC or any other law.
- The Company shall ensure the confidentiality of complaints and ensure that the privacy of the complainant is safeguarded.
- In case of a complaint against any of the members of the ICC, Head (HR) will appoint an independent committee to investigate and report the findings to him/her and will take appropriate action. Till the enquiry and action is complete in this case, the

member against whom the complaint has been received will cease to function as member of the ICC.

6. Disciplinary Action:

If any employee is found guilty of sexual harassment, appropriate disciplinary action against the said employee shall be taken. The action may include any one or more of the following:

- a. Warning
- b. Monetary fine
- c. Loss of promotion and/or stoppage of increment
- d. Transfer
- e. Termination of service

In case the ICC feels the need for transferring the complainant during the investigation to any other location as a result of the incident, the Company shall assist in such transfer.

If the ICC finds the allegations to be wilfully false, fabricated with malicious intentions, appropriate disciplinary action will be taken against the complainant. As responsible citizens and employees, it is our duty to uphold the highest values and together create a work atmosphere that is a benchmark for workplace discipline and decorum.

CONDUCT

ANNEXURE-B

Code of Conduct - Information Technology

1. Computer / Workstation / Laptop /SIM card / E-mail / Internet etc., provided to employees by the company are for the purpose of discharging duties effectively and these should be used for the purpose of company's work. A reasonable use of above for personal purpose is allowed. Proper custody of these and compliance to information security norms are the responsibility of the employee.
2. Physical, software and password related security should be strictly adhered to. Employees should never share their password with anyone, within or outside company. In case of non-compliance, employee will be held accountable for any consequential damage and its financial impact.
3. Unauthorised copying or transmission of classified information / documents or any other information deemed as confidential is strictly prohibited.
4. MIS Department can, at any point of time, check Computer / Workstation / Laptop/ E-mail / Internet accounts etc. provided by the company.

ANNEXURE-C

Whistle Blower Policy / Vigil Mechanism

1. Many a violation does not affect an individual directly but is detrimental to the organisation's interest. Individuals hesitate to report such violations out of fear or indifference. The Whistle Blower's policy / Vigil Mechanism provides a mechanism for an individual to report violations without fear of victimisation.
2. When the director/employee sees violations of integrity norms, he may not be directly aggrieved, but may have information that organisational interests are being compromised. This may be unethical behaviour, suspected or actual fraud, violation of the Code of Conduct etc.
3. Some examples are persons taking bribes, confidential information being leaked out, misuse of company's resources, favours shown or demanded from business associates/partners, violation of statutory requirements, etc. Before reporting such events, the director/employee has to ascertain that a violation has actually occurred and that the act is not based on what can be termed as a normal business decision.
4. In all such cases, the director/employee will address the complaint to any member of the Enforcement Committee along with the available details and evidence to the extent possible. In case, the complaint is received by a person, other than a enforcement committee member, the same will be forwarded by him to the enforcement committee.
5. As a rule, anonymous complaints will not be entertained, except in cases, where the complaint is accompanied by strong evidence and data. The identity of the complainant will be protected and will be known only to the Enforcement Committee.

6. The Enforcement Committee may meet the complainant, if necessary. They may also appoint any suitable person or group of persons to investigate the case but will ensure that the identity of the complainant is protected. Whistle Blower will be protected from any kind of discrimination, harassment, victimization or any other unfair employment practice.
7. The Enforcement Committee will decide the case and recommend action within four weeks to the Managing Director / Chairman. The final action to be taken will be decided by the Managing Director / Chairman. The analysis of the case and the action to be taken may not be communicated to the original complainant.
8. The director in all cases & employee in appropriate or exceptional cases will have direct access with the Chairman of the Audit Committee. Enforcement Committee will consist of:

S. No.	Members
1	Pradeep Shrivastava, Executive Director
2	Rakesh Sharma, Executive Director
3	S Ravikumar, Chief Business Development Officer
4	Ravi Kyran R, Chief Human Resources Officer

9. Mr. Pradeep Shrivastava will be the Chairman of the Enforcement Committee. The Enforcement Committee will report to the Managing Director / Chairman. Any grievance against any member of the Enforcement Committee should be addressed to the Managing Director / Chairman.



Ravi Kyran R
Chief Human Resources Officer