SUPPLIER CODE OF CONDUCT

INTRODUCTION
This Code of Conduct reflects values of the Shriram Pistons & Rings Ltd (SPRL) and its Suppliers.

The Supplier Code of Conduct is to ensure that values of Shriram Pistons & Rings are being followed by the suppliers and all their personnel including but not limited to employees, officers, and directors. The matters covered in the Code are important for the SPRL and its Suppliers, for their business conduct.

All personnel of suppliers shall observe and implement the code of conduct in their official day to day activities.

1. ETHICAL CONDUCT
   All personnel of the supplier shall deal on behalf of their company with professionalism, honesty and integrity, as well as high moral and ethical standards. Such conduct shall be fair and transparent and be perceived to be as such by third parties.

2. REGULATORY COMPLIANCE
   All personnel of the supplier shall, in his or her business conduct, comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which he or she operates.

3. ACCOUNTING AND REPORTING
   All financial transactions shall be reported in accordance with generally accepted accounting practices, and the accounting records must show the nature of all transactions in a correct and non-misleading manner.

4. MONEY LAUNDERING
   The supplier shall not accept, facilitate or support money laundering.

5. TAX LAWS COMPLIANCE
   The supplier shall comply with the tax laws and regulations of country in which it operates. Where tax laws do not give clear guidance, prudence and transparency shall be the guiding principle.

6. MARKETING AND SALES
   The supplier shall not make false statements or provide misleading information regarding its products or their performance, including the safety and environmental attributes of the products.

7. FAIR COMPETETION PRACTICES
   Supplier shall compete with other suppliers in a fair manner and with integrity. Supplier shall not exchange information or enter into agreements or understandings with competitors, customers or suppliers in a way that improperly influences the market place or outcome of a bidding/negotiation process.
8. **PROHIBITION OF INSIDER TRADING**

Suppliers who have access to non-public information, are not allowed to buy or sell SPRL shares or any other financial instrument that relates to SPRL share, such as futures or options. In addition he may not induce anyone, by giving advice or in some other manner, to undertake such trading.

9. **NO POLITICAL INVOLVEMENT**

Supplier shall observe neutrality with regards to political parties and candidates for public office. Supplier shall refrain from using their assets for promoting interests of political parties or candidates for public office.

10. **CONFLICTS OF INTEREST**

The duty of all personnel of supplier towards the SPRL demands that he or she avoids and discloses actual and potential conflicts of interest. A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the SPRL.

If a supplier is considering investing in any customer, supplier, developer or competitor of the SPRL, he or she must first take care to ensure that these investments do not compromise on their responsibilities towards SPRL. The SPRL’s policy requires that information to be given while making such an investment.

Notwithstanding that conflict of interest exist due to any historical reasons, adequate and full disclosure by the supplier should be made to the SPRL's management.

11. **PROTECTING SPRL’s ASSETS,**

The assets of the SPRL shall not be misused but shall be employed for the purpose of conducting the business for which they are duly authorized. These include tangible assets such as equipment and machinery, systems, facilities, materials and resources as well as intangible assets such as Intellectual Property Rights, Knowhow & Technology, proprietary information, relationships with customers and suppliers, etc.

The supplier must maintain physical and electronic security for all confidential information. Supplier’s employees should use extreme care in protecting confidential or proprietary information of any kind. Face-face discussions should be conducted in a secure location.

If confidential information to be discussed or exchanged between SPRL and the supplier, or the supplier and a Third Party, the parties must first ensure that a confidentiality or Non-Disclosure Agreement has been signed and is being complied with.

12. **PROTECTING ENVIRONMENT**

The supplier must comply with all applicable environmental/pollution control laws and regulations.
13. **PROVIDING SAFE AND HEALTHY ENVIRONMENT**
The supplier shall strive to provide a safe and healthy working environment and comply with all applicable laws regarding working conditions, including worker health and safety, sanitation, fire safety, risk protection and electrical, mechanical and structural safety.
The supplier should have strict procedures that prevents the use of illegal drugs or alcohol in the factory and that prevent impaired employees form working.
The supplier must inform any reportable accident(s) to SPRL immediately with corrective action to be taken to avoid such accident(s) in future.

14. **HUMAN RIGHTS**
The supplier shall support and respect the protection of internationally proclaimed human rights and make sure his company is not complicit in human rights abuses.

15. **NO CHILD OR FORCED LABOUR**
The supplier shall not hire any person less than 18 years of age. Also, supplier must not use involuntary labour of any kind, including prison labour, debt bondage or forced labour. Additional standards include the following:
   a) A supplier must comply with all applicable child labour laws, including those related to hiring, wages, hours worked, overtime and working condition. Vocational or developmental programs for young people require an exception to the age requirements.
   b) The supplier must maintain official documentation that verifies a worker’s date of birth, employment and training history. SPRL reserves the right to review this information whenever required.

16. **EQUAL-OPPORTUNITIES EMPLOYER**
The supplier shall provide equal opportunities to all its employees and all qualified applicants for employment, without regard to their race, caste, religion, colour, ancestry, marital status, sex, age, nationality and disability. Employees of the Supplier shall be treated with dignity and in accordance with maintaining a work environment free of sexual harassment, whether physical, verbal or psychological.

17. **WAGES AND HOURS**
The supplier must follow all applicable laws regarding working hours, wages and overtime pay. Workers must be paid at least the minimum legal wage or a wage that meets local industry standards. The supplier must pay overtime and any incentive rates that meet all legal requirements or the local industry standard. Workers should receive necessary time off, paid annual leaves and holidays as required by local laws.

18. **GIFTS AND DONATIONS**
The supplier shall not (directly or indirectly) offer any gift, entertainment, trip, discount, service, or other benefit from his organization to any official of SPRL which would or reasonably appear to be capable of influencing such person to act in a manner which is against the interest of the SPRL.
19. **CORPORATE CITIZENSHIP**
The supplier’s senior management personnel shall be committed to be a good corporate citizen, not only in compliance with all relevant laws and regulations, but also by actively assisting in the improvement of the quality of life of the people in the communities in which it operates, with the objective of making them self-reliant.
Such social responsibility would comprise: initiating and supporting initiatives in the field of community health and family welfare, vocational training, education and literacy, providing employment to physically challenged people and encouraging the application of modern scientific and managerial techniques and expertise.

20. **INFORMATION TO SPRL REGARDING VIOLATION AND CORRECTIVE ACTION**

SPRL expects its suppliers to comply with the conditions of the Supplier Code of Conduct and maintain a system to monitor compliance.

If SPRL determines that a supplier has violated this code, the supplier must provide information relating to the incident(s) and show within 30 days the action taken to correct the condition. SPRL may follow up to make sure the condition has been corrected.

21. **RIGHT TO CONDUCT AUDIT**
SPRL reserves the right to conduct a full audit if necessary to ensure compliance of Supplier Code of Conduct.
COMMUNICATION OF SUPPLIER CODE OF CONDUCT

I acknowledge receipt of Supplier Code of Conduct of the Shriram Pistons & Rings Ltd (SPRL) (a company registered under Indian Companies Act, 1956) having its registered office at 3rd floor, Himalaya House, 23, Kasturba Gandhi Marg, New Delhi, 110001. I understand the standards and policies contained in the SPRL’s Supplier Code of Conduct. I affirm that I have observed and implemented the SPRL’s Supplier Code of Conduct.

Supplier Name: 
Official Name: 
Signature:  
Designation: 
Date: 

Seal of Supplier: 

(To be printed on Supplier’s letter head)