



TEGA INDUSTRIES LIMITED  
**CODE OF CONDUCT**

## **Preamble**

We have earned a worldwide reputation for conducting our business with integrity and with respect for all those whom our activities affect. To maintain this reputation requires the highest standards of behavior being consistently observed by all of us. This Code of Conduct is intended and clarifies the standards of acceptable behavior in the Tega Group of Companies.

Being a successful business does not just mean investing for growth and balancing short and long term interests. It also means caring about our consumers, employees and shareholders, our business partners and the world in which we live.

We therefore want this Code to be more than a collection of high sounding statements. It must have practical value in our day-to-day dealings and each of us must follow these principles both in the spirit and the letter.

If we do so, TEGA's reputation will be enhanced, our business will perform better and our professional lives will be all the more fulfilling.

We give ourselves the following Code of Conduct to ensure fair, transparent and ethical behavior of all our employees.

## **Introduction**

All companies in the Group will conduct its business with responsibility, integrity, fairness and transparency. The purpose of this Code of Conduct is to lay out a broad policy, to be adopted by Directors and Employees of the Company in course of discharging their duties and responsibilities and in all their interactions, internal and external, so as to promote healthy business practices in an efficient, professional and ethical manner.

## **Application of this Code**

This Code shall uniformly apply to all Directors and to all the employees of all companies in the Tega Group of Companies.

## **National Interest**

All companies in the Group shall be committed in all its actions to benefit the economic development of the countries in which it operates and shall not engage in any activity that would adversely affect such objective. No Company shall undertake any project or activity to the detriment of the nation's interests or those that will have any adverse impact on the social and cultural life patterns of its citizens. A company in the group shall conduct its business affairs in accordance with the economic, development and foreign policies, objectives and priorities of the nation's government and shall strive to make a positive contribution to the achievement of such goals at the international, national and regional level as appropriate.

## **Regulatory Compliance**

All companies in the Group are committed to maintain the highest ethical and value standards in the process of corporate governance and also ensure compliance with all laws of the land. We are committed to providing timely, accurate and complete information, as necessary to all concerned, including its stakeholders.

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## Financial Reporting and Records

All companies in the Group shall prepare and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standards that represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the company conducts its business affairs.

Internal accounting and audit procedures shall fairly and accurately reflect all the business transactions and disposition of assets. All required information shall be accessible to company auditors and other authorized parties and government agencies. There shall be no willful omissions of any company transactions from the books and records, no advance income recognition and no hidden bank account and funds.

Any willful material misrepresentation of and/or misinformation on the financial accounts and reports shall be regarded as a violation of the code, apart from inviting appropriate civil or criminal action under the relevant laws.

## Competition

All companies in the Group shall fully strive for the establishment and support of a competitive open market economy in India and abroad and shall cooperate in the efforts to promote the progressive and judicious liberalization of trade and investment by a country.

Specifically, a company in the Group shall not engage in activities, which generate or support the formation of monopolies, dominant market positions, cartels and similar unfair trade practices.

All companies in the Group shall market its products and services on its own merits and shall not make unfair and misleading statements about competitors' products and services. Any collection of competitive information shall be made only in the normal course of business and shall be obtained only through legally permitted sources and means.

## Equal Opportunities Employer

All companies in the Group shall provide equal opportunities to all their employees and all qualified applicants for employment, without regard to their race, caste, religion, color, ancestry, marital status, sex, age, nationality, disability and veteran status. Employee policies and practices shall be administered in a manner that would ensure that in all matters equal opportunity is provided to those eligible and the decisions are merit-based.

All employees shall be treated with dignity and in accordance with the policy to maintain a work environment free of sexual harassment, whether physical, verbal or psychological. or any other kind of harassment.

Sexual harassment includes but not limited to unwelcome sexually determined behavior by any person either individually or in association with other persons or by any person in authority whether directly or by implication such as eve-teasing, unsavory remarks, jokes causing or likely to cause awkwardness or embarrassment, innuendos and taunts, gender based insults or sexist remarks, unwelcome sexual overtone in any manner over the telephone, touching or brushing against any part of the body and the like, displaying pornographic or other offensive or derogatory pictures, cartoons, pamphlets or sayings, forcible physical touch or molestation, physical confinement against one's will and any other act likely to violate one's privacy. It includes any act or conduct by a person in authority and belonging to one sex which denies or would deny equal opportunity in pursuit of career development or otherwise making the environment at the work place hostile or intimidating to a person belonging to the other sex.

## Gifts and Donations

All companies in the Group and their employees shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits that are intended to, or perceived to obtain business or uncompetitive favors for the conduct of its business. However, the employees may accept and offer nominal gifts which are customarily given and are of commemorative nature for special events.

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## Government Agencies

All companies in the Group and their employees shall not offer or give any company funds or property as donation to any government agencies or their representatives, directly or through intermediaries, in order to obtain any favorable performance of official duties.

## Political Non-alignment

All companies in the Group shall be committed to and support a functioning democratic constitution and system with a transparent and fair electoral system in India. A company in the Group shall not support directly or indirectly any specific political party or candidate for political office. The company shall not offer or give any company funds or property as donations, directly or indirectly, to any specific political party candidate or campaign.

## Health, Safety and Environment

All companies in the Group shall strive to provide a safe and healthy working environment and comply, in the conduct of its business affairs, with all regulations regarding the preservation of the environment of the territory it operates in. All companies in the Group shall be committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.

## Quality of Products and Services

All companies in the Group shall be committed to supply goods and services of the highest quality standards backed by efficient after-sales service consistent with the requirements of the customers to ensure their total satisfaction. The quality standards of the company's goods and services should at least meet the required national standards and the company should endeavor to achieve international standards.

## Corporate Citizenship

All companies in the Group 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: to initiate and support community initiatives in the field of community health and family welfare, water management, vocational training, education and literacy, and encourage application of modern scientific and managerial techniques and expertise. This will be reviewed periodically in consonance with national and regional priorities. The company would also not treat these activities as optional ones, but would strive to incorporate them as an integral part of its business plan. The company would also encourage volunteering amongst its employees and help them to work in the communities. TEGA companies are encouraged to develop social accounting systems and to carry out social audit of their operations.

## Cooperation of TEGA Companies

All companies in the Group shall cooperate with other companies by sharing physical, human and management resources as long as this does not adversely affect its business interests and shareholder value.

In the procurement of products and services, a company may give preference to another company in the Group as long as it can provide these on competitive terms relative to third parties.



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## Public Representation of the Company and the Group

All companies in the Group will honor the information requirements of the public and its stakeholders. In all its public appearances, with respect to disclosing company and business information to public constituencies such as the media, the financial community, employees and shareholders, a company in the Group shall be represented only by specifically authorized directors and employees. It will be the sole responsibility of these authorized representatives to disclose information on the company.

## Third-Party Representation

Parties that have business dealings with the Group but are not members of the group such as consultants, agents, sales representatives, distributors, contractors, suppliers, etc. shall not be authorized to represent any company in the Group if their business conduct and ethics are known to be inconsistent with the code.

## Use of the TEGA Brand

The use of the TEGA name and trademark owned by TEGA Companies shall be governed by manuals, codes and agreements issued by TEGA group of Companies.

## Group Policies

All companies in the Group shall recommend to its board of directors the adoption of policies and guidelines periodically formulated by TEGA Group of Companies.

## Shareholders

All companies in the Group shall be committed to enhance shareholder value and comply with all regulations and laws that govern shareholders' rights. The board of directors shall duly and fairly inform its shareholders about all relevant aspects of the company's business and disclose such information in accordance with the respective regulations and agreements.

## Ethical Conduct

Every employee of all companies in the Group, which shall include whole-time directors and the managing director, shall deal on behalf of the company with professionalism, honesty, integrity as well as high moral and ethical standards. Such conduct shall be fair and transparent and be perceived to be such by third parties.

Every employee shall be responsible for the implementation of and compliance with the code in his professional environment. Failure to adhere to the code could attract the most severe consequences including termination of employment.

## Implementation

All Employees are accountable for full compliance with this Code. Penalties for breach of this Code shall be determined by the Board of Directors in the case of Directors, and to the person designated for this purpose by the Managing Director in the case of the other employees. Penalties may include serious disciplinary action, removal from office, as well as other remedies to the extent permitted by law and/or as appropriate under the circumstances.

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Any significant breach of the Code by Directors and Employees must be notified to the Board of Directors and the Managing Director as the case may be. The Managing Director shall report to the Company's Board of Directors on the Code's operation and effectiveness along with any significant breach of the Code.

### **Inter-personal Relationship/Administration**

In course of dealing with an employee, it shall remain as a duty of the Senior Officer to consider the Junior employee as a contributory organ for the benefit of the Company and at no point of time the Senior Officer should deal with the Junior Officer in a disgraceful manner, failing which the Junior Officer suffering in the process would have the liberty to bring to the attention of the Superior Officer to whom the Senior Officer is reporting about such happening within the knowledge of the said Senior Officer. At a suitable level of employment the matter could be referred to the Managing Director of the Company for a final decision. Such a Code of Conduct of the Company must not be misunderstood as curbing in any form or manner of the Administrative Hierarchy of the Company in the process of training up the Junior Officer.

### **Misuse of Opportunities and Information**

The Employees shall refrain from taking (or directing to a third party) a business opportunity (relevant to the line of business intended to be pursued by the Company) that is discovered through the use of corporate property, information or position, unless the Company has already been offered the opportunity and turned it down. The Employees are prohibited from using corporate property, information or position for personal gain and from competing with the Company. Where it is difficult to differentiate between personal and Company benefits, or there are both personal and Company benefits in certain activities, the only prudent course of action for the Employees is to make sure that any use of Company property or services or transactions, that are not solely for the benefit of the Company, has prior approval of the competent authority.

### **Fair Dealing**

None of the companies in the Group will seek competitive advantage through illegal or unethical business practices. The Employees shall deal fairly with Company's acquaintances, service providers, suppliers, competitors and employees. No Employee shall take advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair practice. Directors and Executives shall immediately bring to the notice of the Board and President and Managing Director, respectively, any unethical behavior and/or actual or suspected fraud.

### **Bribery**

Payment of bribes, kickbacks or other payments of this nature, in cash or kind, is strictly prohibited, irrespective of whether payments or offers are made directly or indirectly.

### **Gifts and Entertainment**

Though business gifts and entertainment are customary in many parts of the world, they need to be viewed with caution. Employees may accept and offer nominal gifts which are customarily exchanged or given and/or are of commemorative nature for special events. Except for these and legally contracted payments in the course of Company's business, Directors and Employees shall neither receive nor offer or make direct/indirect payments, gifts or any benefits which are intended to obtain unethical favour.

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## Concurrent Employment

An employee of a company in the Group shall not, without the prior approval of the managing director of the company, accept employment or a position of responsibility (such as a consultant or a director) with any other company, nor provide “freelance” services to anyone. In the case of a whole-time director or the managing director, such prior approval must be obtained from the board of directors of the company.

## Conflict of interest

No Employee shall engage in any business, relationship or activity, which might detrimentally conflict with the interest of his company or the Group.

A conflict of interest, actual or potential, may arise where, directly or indirectly,

- (a) an employee engages in a business, relationship or activity with anyone who is party to a transaction with his company,
- (b) an employee is in a position to derive a personal benefit or a benefit to any of his relatives by making or influencing decisions relating to any transaction, and
- (c) an independent judgment of the company’s or group’s best interest cannot be exercised. The main areas of such actual or potential conflicts of interest would include the following:
  - Financial interest of an employee or his relatives including the holding of an investment in the subscribed share capital of any company or a share in any firm which is an actual or potential competitor, supplier, customer, distributor, joint venture or other alliance partner of the company. (The ownership of upto 1% of the subscribed share capital of a publicly held company shall not ordinarily constitute a financial interest for this purpose.)
  - An employee conducting business on behalf of his company or being in a position to influence a decision with regard to his company’s business with a supplier or customer of which his relative is a principal, officer or representative, resulting in a benefit to him or his relative.
  - Award of benefits such as increase in salary or other remuneration, posting, promotion or recruitment of a relative of an employee where such an individual is in a position to influence the decision with regard to such benefits.
  - Acceptance of gifts, donations, hospitality and/or entertainment beyond the customary level from existing or potential suppliers, customers or other third parties which have business dealings with the company.

Notwithstanding that such or other instances of conflict of interest exist due to any historical reasons, adequate and full disclosure by the interested employees should be made to the company’s management. It is also incumbent upon every employee to make a full disclosure of any interest which the employee or the employee’s immediate family, which would include parents, spouse and children, may have in a company or firm which is a supplier, customer, distributor or has other business dealings with his company.

Every employee who is required to make a disclosure as mentioned above shall do so, in writing, to his immediate superior who shall forward the information along with his comments to the person designated for this purpose by the Managing Director who in turn will place it before the Managing Director and/or the board of directors/executive committee appointed by the board and, upon a decision being taken in the matter, the employee concerned will be required to take necessary action as advised to resolve/avoid the conflict.

If an employee fails to make a disclosure as required herein and the management of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the employee, the management would take a serious view of the matter and consider suitable disciplinary action against the employee.

## Securities Transactions and Confidential Information

An employee and his immediate family shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the company or the group which is not in the public domain and thus constitutes insider information.

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Such insider information might include the following:

- Acquisition and divestiture of businesses or business units
- Financial information such as profits, earnings and dividends
- Announcement of new product introductions or developments
- Asset revaluations
- Investment decisions/plans
- Restructuring plans
- Major supply and delivery agreements
- Raising finances

During the course of employment or dealing with the Company, any information of a confidential nature (whether about the Company, other companies or individuals) that is known to Directors or Employees shall be treated as confidential unless it is in the public domain. Such information shall be used only for the purpose of the business of the Company.

The Company also respects the rights of others with regard to confidential information. Where information is received from third parties under conditions of confidentiality, Directors and Employees shall comply with those conditions but no one shall solicit confidential information from third parties without established need and prior authorization.

### Protecting Company Assets

The assets of all companies in the Group should not be misused but 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, resources as well as intangible assets such as proprietary information, relationships with customers and suppliers, etc.

### Integrity of Data Furnished

Every employee shall ensure, at all times, the integrity of data or information furnished by him to the company.

### Interpretation

Any question relating to how this Code should be applied or interpreted should be addressed to the Company Secretary.

We have tried to cover all possible eventualities. However no Code of Conduct can cover all situations we may encounter.

Thus we need to adhere to the following principles where specific rules cannot be established:

- Decisions made, and actions taken must be consistent with company values and company objectives.
- TEGA is focused on delivering long-term value to its employees, shareholders, customers and society. It is expected that we will do what is right to support the long-term goals of the company.
- Tega competes to win, but within the framework of integrity, transparency and compliance will all applicable laws and regulations.
- If ever in doubt about a decision, it should be escalated to a higher level of management for broader consideration.
- Should anyone ever see a deviation from the above principles, it is expected that he/she will report the violation through the appropriate channels. Where the appropriate channel is not identified, the same will be reported to immediate higher level of management.