



**Revised Code of Conduct
For
Directors and Senior Management Personnel**

Amara Raja Batteries Limited

CIN: L31402AP1985PLC005305

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INTRODUCTION

The Board of Directors of Amara Raja Batteries Limited (“the Company”) has approved this revised code of conduct for directors and senior management personnel at their meeting held on November 11, 2014 in line with amended requirements of Clause 49 of the listing agreement entered into with the stock exchanges.

The purpose of this Code of Conduct (the “Code”) is to conduct the business of the Company in accordance with the applicable laws, regulations, rules and with the highest standard of ethics and values. The matters covered in this Code are of utmost importance to the Company, shareholders and other stakeholders. This Code shall come into force with immediate effect. Each and every Director/Officer (as defined herein below) shall be duty-bound to follow the provisions of this Code in letter and spirit. Any instance of non-compliance of any of the provisions shall be a breach of ethical conduct and shall be viewed seriously by the Company. Accordingly, the Director/Officers (as defined herein below) are expected to read and understand this Code and uphold these standards in their business dealings and activities.

I. APPLICABILITY

This Code of Conduct applies to the following:

1. All Members of the Board of Directors of the Company; (hereinafter referred to as the “Directors”)
2. All the members of core management team one level below the Executive Director level including the Departmental/Functional heads of different functions of the Company (by whatever designation they are called) (hereinafter referred to as “Officers”).

II. HONEST AND ETHICAL CONDUCT

The Directors/Officers shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working at the Company’s premises, at offsite locations, at Company’s sponsored business and social events, and/or at any other place where the Directors/Officers represent the Company. Honest conduct is that which is free from fraud and/or deception. Ethical conduct is the conduct conforming to the accepted professional standards of conduct. It includes ethical handling of actual or apparent conflicts of interest as specified in III below between personal and professional relationships.

III. CONFLICTS OF INTEREST

Directors/Officers shall disclose and avoid actual and apparent 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 Company. For eg:

- A. **Employment / Outside Employment:** - In consideration of employment with the Company, Officers are expected to devote their full attention to the business interests of the Company. Officers are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company, or otherwise in conflict with or prejudicial to the Company. For eg. simultaneous engagement/ employment or directorship with competitors of the Company, or from taking part in any activity that enhances or supports a competitor's position. Each Officer shall inform the Board of any change in events/ circumstances/ conditions that may interfere with their ability to perform their duties. Additionally, Officers must disclose to the Company's Board of Directors, any interest that they have that may conflict with the business of the Company.
- B. **Outside Directorships:** It is a conflict of interest to serve as a Director of any Company that competes directly with the Company. Directors/Officers must first obtain approval from the Company's Board of Directors before accepting such Directorship. Further each Director/Officer shall inform the Board of any changes in their board positions, relationship with other businesses (including charitable institutions).
- C. **Business Interests:** If any Director/Officer is considering investment in the business of any competitor of the Company, he or she must first take care to ensure that these investments do not compromise on their responsibilities towards the Company. Before making substantial investment in the business of the Competitor, the Director/officer shall take permission from the Board of Directors of the Company. Substantial Investment shall mean any investment over Rs. 5 million for Directors and Rs. 0.5 million for Officers.
- D. **Related parties:** Director/Officers, before conducting Company business with a relative and/or with a business in which a relative is associated in any significant role, must disclose their interest before the Board of Directors of the Company and take their prior approval for the same. Relative means as defined under the Companies Act, 2013 and the rules made thereunder as amended from time to time.
- E. **Payments or gifts from others:** Director/Officers shall not accept any offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value from customers, vendors, consultants, etc. of the Company, that is perceived and/or intended, directly or indirectly, to influence any business decision, of the Company any act or failure to act, any commitment of fraud, or opportunity for the commitment of any fraud.
- F. **Corporate opportunities:** Directors/Officers shall not exploit for their own personal gain, opportunities that are discovered through the use of Company property, information or position, unless the opportunity is first disclosed in writing to the Company's Board of Directors and the prior consent obtained.
- G. **Other situations:** The above are illustrative and not exhaustive. If a proposed transaction or situation raises any questions or doubts, Directors/Officers must consult the Company's Chairman and/ or the Board of Directors, and avoid conflict of interest.

IV. FAIR DEALING:

Directors/Officers shall deal fairly with customers, suppliers, competitors and employees. They shall not take unfair advantage of anyone through manipulation, concealment, abuse of confidential, proprietary or trade secret information, misrepresentation of material facts, or any other unfair dealing practices.

V. PROTECTION AND PROPER USE OF COMPANY'S ASSETS

Directors/Officers shall protect Company's assets and property and ensure its efficient use. Company's assets should be used only for legitimate business purposes.

VI. DUTIES OF AN INDEPENDENT DIRECTORS

A. Guidelines of professional conduct of independent directors as per Schedule IV of the Companies Act, 2013

An independent director shall

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising his duties;
3. exercise his responsibilities in a *bona fide* manner in the interest of the company;
4. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
6. not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
7. refrain from any action that would lead to loss of his independence;
8. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
9. assist the company in implementing the best corporate governance practices.

B. Role and functions of independent directors as per Schedule IV of the Companies Act, 2013

The independent directors shall

1. help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
2. bring an objective view in the evaluation of the performance of board and management;
3. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5. safeguard the interests of all stakeholders, particularly the minority shareholders;
6. balance the conflicting interest of the stakeholders;
7. determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
8. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

C. Duties of independent directors as per Schedule IV of the Companies Act, 2013

The independent directors shall

1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
2. 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;
3. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. strive to attend the general meetings of the company;
6. 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;
7. keep themselves well informed about the company and the external environment in which it operates;
8. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
9. 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;

10. 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;
11. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
12. acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
13. 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.

VII. COMPLIANCE WITH GOVERNMENTAL LAWS, RULES AND REGULATIONS

Directors/Officers must comply with all applicable governmental laws, rules and regulations. Directors/Officers must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers, and to know when to seek advice from the Finance and/or Legal Department. Violations of applicable governmental laws, rules and regulations may subject Directors/Officers to individual criminal and/or civil liability. Such individual violations may also subject the Company to civil and/or criminal liability and/ or the loss of business.

VIII. CONFIDENTIAL INFORMATION

Directors/Officers shall maintain the confidentiality of all confidential information that they receive or become privy to in connection with the Company's business, except when disclosure is authorized or legally mandated. Confidential information includes all nonpublic information that might prejudice the ability of the Company to pursue certain objectives, be of use to competitors or harm the Company, its suppliers or its advertisers, if disclosed. Confidential information also includes any information relating to the Company's business and affairs that results in or would reasonably be expected to result in a significant change in the market value of the Company's securities or any information a reasonable investor would consider important in making an investment decision. Directors/Officers shall not use confidential information for their own advantage or profit directly or indirectly.

IX. DISCLOSURES

Company's policy is to provide full, fair, accurate, timely and understandable disclosure in reports and documents that Company file with, or submit to, the stock exchange, SEBI and/or any other government agency and in all other public communications made by the Company. Directors/Officers shall ensure that such filings and communications conform to all applicable laws and regulations.

X. VIOLATIONS OF THE CODE

Directors/Officers shall help enforce this Code. Directors/Officers should be alert to possible violations. Directors/Officers must co-operate in any internal or external investigations of possible violations. Reprisal, threat, retribution or retaliation against any person who has, in good faith, reported a violation or a suspected violation of law, this Code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation, to be avoided.

Actual violations of law, this Code, or other Company policies or procedures, should be promptly reported to the Legal/HR Department and the Board.

XI. WAIVERS AND AMENDMENTS OF THE CODE

The Code is subject to continuous review and updation. Any amendment or waiver of any provision of this Code must be approved by the Company's Board of Directors and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment or waiver.

XII. NO RIGHTS CREATED

This Code of conduct is a statement of certain fundamental principles, ethics, values, policies and procedures that govern the Directors and senior management of the Company in the conduct of the Company's business. It is not intended to and does not create any rights in any employee, customer, client, supplier, competitor, shareholder or any other person or entity.

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