



CODE OF CONDUCT

This Code of Conduct reflects values of the Shriram culture, and is also ensuring compliance with Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Code of Conduct for Shriram Pistons and Rings Ltd. is to ensure ethical conduct in the business. The matters covered in the Code are important for the Company, all the Board members, Senior Management, its shareholders/stakeholders and business partners, for their business conduct.

All Board members and Senior Management personnel shall observe and implement the code of Conduct in their official day to day activities.

The Board shall determine the appropriate action to be taken in the event of violation of this Code.

Ethical Conduct

All Board members and Senior Management personnel of the Company shall deal on behalf of the 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.

Regulatory Compliance

All Board members and Senior Management personnel 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. If the ethical and professional standards set out in the applicable laws and regulations are below that of the code, then the standards of the Code shall prevail.

Financial Reporting and Records

The Company shall prepare and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of India.

Internal accounting and audit procedures shall fairly and accurately reflect all of the company's business transactions and disposition of assets. All required information shall be accessible to Company auditors and other authorised 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.

Conflicts of Interest

The duty of all Board members and Senior Management personnel towards the Company 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 Company. Examples include:-



A. Employment / Outside Employment

In consideration of employment with the Company, Senior Management personnel are expected to devote their full attention to the business interests of the Company. They are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company, or is otherwise in conflict with or prejudicial to the Company.

Senior Management personnel are prohibited from accepting simultaneous employment with suppliers, customers, developers or competitors of the Company, or from taking part in any activity that enhances or supports a competitor's position. Additionally, all Board members and Senior Management personnel must disclose to the Company's audit committee, 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 other company that could be detrimental to or in conflict with the interests of the Company.

C. Business interests

If a Board member or Senior Management personnel is considering investing in any customer, supplier, developer or competitor of the Company, he or she must first take care to ensure that these investments do not compromise on their responsibilities to the Company. The Company's policy requires that information to Company's audit committee be given while making such an investment. Many factors should be considered in determining whether a conflict exists, including the size and nature of the investment; their access to confidential information of the Company or of the other Company; and the nature of the relationship between Company and the other Company.

D. Related parties

As a general rule, Board members and Senior Management personnel should avoid conducting Company business with a relative, or with a business in which a relative is associated in any significant role. Relatives include spouse, siblings, children, parents, grandparents, grandchildren, aunts, uncles, nieces, nephews, cousins, step relationships, and in-laws. The Company discourages the employment of relatives of employees/Directors in positions or assignments within the company. Further, the Company prohibits the employment of such individuals in positions that have a financial dependence or influence (e.g. an auditing or control relationship, or a supervisor/subordinate relationship).

Notwithstanding that such or other instances of conflict of interest exist due to any historical reasons, adequate and full disclosure by the interested Board members and Senior Management personnel 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 of or has other business dealings with his or her Company.



E. Corporate Opportunities

All Board members and Senior Management personnel may not exploit for their own personnel gain, any new business opportunity to the Company's area of business viz., auto components, unless the proposal is informed in writing to the CMG, and the Company in the CMG declines to pursue such an opportunity. The Company will convey its decision within three months of receiving the written proposal.

F. Other situations

Because other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts, all Board members and Senior Management personnel must consult the Company's audit committee.

Protecting Company Assets

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

Quality of Products and Services

The Company shall be committed to supplying 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.

Health, Safety and Environment

The Company 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 country.

Equal-Opportunities Employer

The Company, all Board members and Senior Management personnel 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 Company shall be treated with dignity and in accordance with our maintaining a work environment free of sexual harassment, whether physical, verbal or psychological.

Gifts and Donations

No Board member or Senior Management personnel shall (directly or indirectly) accept any gift, entertainment, trip, discount, service, or other benefit from any organization or person doing business or competing with the Company (other than modest gifts/ benefits of nominal value or entertainment as part of normal business courtesy and hospitality) which would or reasonably



appear to be capable of influencing such person to act in a manner which is against the interest of the Company.

Political Non-Alignment

The Company 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 political party, candidate or campaign.

Corporate Citizenship

The Company, all Board members and 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.

Duties of Independent Directors

In addition to the above, all Independent Directors of the Company shall also perform their duties provided under Companies Act, 2013 given as under:

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.