

Avoiding Conflicts of Interest

It is important that every employee in Amara Raja understands what tantamounts to a conflict of interest.

A conflict of interest could arise in the following circumstances;

- Between an employee(s) and the Company
- Between two employees or a group of employees in the Amara Raja Group Companies.
- Between our company and other companies and / or individuals
- Between an employee and other companies and / or individuals

The following acts would constitute and lead to a conflict of interest:

Any act or acts indulged in or carried out or contemplated in an individual capacity done willfully or under coercion from others persons or parties and which consequently directly or indirectly affect or compromise on the interests of the company and its well being and security would constitute an act(s) tantamounting to a conflict of interest.

The following are some examples (not an exhaustive list) that illustrate what acts constitute and tantamount to a conflict of interest;

Indulging in business practices or deals with friends and relatives which directly or indirectly result in financial gain while in employment with Company.

- However dealing in shares which is a legitimate activity would not constitute a breach of ethics provided an employee is not pursuing this activity during working hours and is not using the company's infrastructure like communication infrastructure, manpower and time.
- It is advisable that employees who have incomes [from family owned agriculture, rent from property, family owned industry etc] other than income by way of salary etc. from the Company should divulge the same to the Head of Human Resources.
- Lending money and / or borrowing money from other employees whether with or without interest / other gain is a serious breach of ethics under this chapter. Collecting money and or distribution using fellow employee funds through formal / informal channels like chit funds etc. is strictly prohibited.

Lending and borrowing money, accepting or giving gifts of unusually high value stands in the way of healthy professional relationships in the organization and can lead to other undesirable practices in the organization. Similarly, lending money to individuals outside the organization for gain is a practice not encouraged by the company and is a breach of ethics under this chapter.

While receiving or giving gifts from fellow employees on birthdays, weddings and other social and religious ceremonies it would be prudent to restrict the value of these gifts to reasonable amounts. Every effort should be made to ensure that such transactions are kept transparent and free of controversy.

Collection drives for cash funds for buying gifts for birthdays , marriages of employees without the specific approval and permission of the Head of Human Resources of respective businesses is strictly prohibited.

Employees who have relatives and close friends working with the competition must voluntarily / freely divulge this information to the Company.

Appointing friends and relatives as suppliers and vendors is prohibited / strongly discouraged by the company. However, exceptions can be made provided such relationships are discussed with the top management prior to appointing them as vendors, suppliers or business partners.

- In India social relationships are complex and it is possible that it is not always easy or clear as to who is directly or indirectly related to you. It is therefore advisable to check this out specifically with prospective vendors and suppliers and make this indemnity clause part of supplier / vendor terms and contracts.

Accepting remuneration in cash or kind for professional services, consultancy or / and advice rendered, accepting invitations for delivering lectures at seminars and training programs and educational institutions for remuneration / fees or ex-gratis without the prior written approval from the Company is a breach of ethics under this chapter.

Sharing financial information about the Company, shares related information, dealing in large amounts of the shares of the Company without the knowledge of the Company and other such or similar information for personal gain is a breach of ethics.

Attending business meetings and conferences with the competition, trade and other commercial and non – commercial bodies without prior approval or specific knowledge of the management. At such meetings the agenda and key issues to be discussed or agreed to at these forums must have the prior clearance of the management in writing.

Soliciting or providing vital information on manufacturing practices, R&D related information, pricing of products, sharing of drawings and patents and other such sensitive information from competition or any other organization or individuals without the consent or permission of the management.

Inviting members of the competition, trade and other institutions, equipment manufacturers and existing and / or prospective vendors and suppliers and taking them round our premises either at the head Office, COO and Field Offices without prior and specific approval constitutes a serious breach of ethics under this chapter.

Unfair distribution of business opportunities, favoritism, and clearly biased personal preferences in doing business with acquaintances, friends and relatives.

Formation of employee associations, groups, clubs, collecting funds from employees for whatever purpose, participating in demonstrating for public and social causes without prior specific knowledge and approval from the management.