

**VIDEOCON INDUSTRIES LIMITED**  
**CODE OF CONDUCT**

**I. Need and objective of the Code**

Clause 49 of the Listing Agreement entered into with the Stock Exchanges, requires that as part of Corporate Governance, the listed entities shall lay down a Code of Conduct for Directors on the Board and the Senior Management of the Entity.

Accordingly, the Board has laid down this Code for its Directors on the Board and the Senior Management.

**Applicability**

The Code of Conduct is applicable to the members of Board of Directors and Members of the Senior Management Team of the Company, one level below Whole Time Director, viz. Business Heads, Unit Heads, Presidents, Joint Presidents and all other executives having similar or equivalent rank in the Company by whatever designation and the Company Secretary of the Company (hereinafter referred to as "Senior Management"). The applicability to the Board of Directors and/or the Senior Management will depend on context of Code of Conduct.

The Company Secretary shall be the Compliance Officer for the purpose of this Code.

The Code shall come into force with effect from 1 January 2006 and future amendments / modifications shall take effect from the date stated therein

**II. Companies belief system**

This Code of Conduct attempts to set forth the guiding principles on which the Company shall operate and conduct its routine activities and daily business with its stakeholders, government and other regulatory agencies, media as also anyone else

with whom it is connected. It recognizes that the Company and more particularly, the Board is a trustee and custodian of stakeholders and in order to fulfill its fiduciary obligations and responsibilities, it has to maintain and continue to enjoy the trust and confidence of the stakeholders and also of overall public at large.

The Company acknowledges the need to uphold the integrity in every transaction and activity it enters into and believes that honesty and integrity in its internal conduct would be judged by its external behavior.

The Company shall be committed in all its actions to the interest of the countries in which it operates. The Company is conscious of the reputation it carries amongst its stakeholders, customers and public at large and shall endeavor to do all it can to sustain and improve upon the same in its discharge of obligations. The Company shall continue to initiate policies, which are customer centric and which promote prudence.

### **III. Philosophy of the Code**

The Code envisages and expects:

- a. adherence to the highest standards of transparent and ethical conduct, including proper and ethical procedures in dealing with actual or apparent conflicts of interest between personal and professional relationships.
- b. Full, fair, accurate, sensible, timely and meaningful disclosures in the periodic reports required to be filed by the Company with government and regulatory agencies.
- c. Compliance with applicable laws, rules and regulations.
- d. To address misuse or misapplication of the Company's assets and resources;
- e. The highest level of confidentiality and fair dealing within and outside the Company
- f. Transparent process of decision making at every level of Management.
- g. Fair and equitable treatment and accountability to all the stakeholders including customers, shareholders, employees and society at large.

- h. Negative ethos to be defined precisely “what we shall not do”.
  - a. Violate local laws in spirit.
  - b. Dilute moral standards.
  - c. Engage in unethical practices
  - d. Engage with anti social elements

#### **A. General Standards of Conduct**

The Company expects all Directors and the Senior Management to exercise good judgment, to ensure the interests, safety and welfare of customers, dealers, employees, and other stakeholders and to maintain a co-operative, efficient, positive, harmonious and productive work environment and business organization. The Directors and the Senior Management while discharging duties of their office must act honestly and with due diligence. They are expected to act with that amount of utmost care and prudence, which an ordinary person is expected to take in his/her own business. These standards need to be applied while working in the premises of the Company, at off-site locations where the business is being conducted whether in India or abroad, at Company-Sponsored business and social events, or at any other place whether they act as representatives of the Company.

The Company expects all Directors and the Senior Management to:

- a. Maintain and help the Company in maintaining highest degree of Corporate Governance Practices.
- b. Shall not communicate with any member of press or publicity media or any other outside agency on matters concerning the Company, except through the designated spokespersons or otherwise authorized.
- c. Shall ensure compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992 as also other regulations as may be applicable from time to time

- d. Shall affirm compliance with this Code on an annual basis as at the end of the each financial year of the Company within 7 days.

## **B. Conflict of Interest**

A “conflict of interest” occurs when personal interest of any member of the Board of Directors or the Senior Management interferes or appears to interfere in any way with the interest of the Company. Every member of the Board of Directors and the Senior Management has responsibility to the Company, its stakeholders and to each other. Although this duty does not prevent them from engaging in personal transactions and investments, it does demand that they avoid situations where conflict of interest might occur or appear to occur. They are expected to perform their duties in a way that they do not conflict with the Company’s interest such as-

- Involvement/Interference – The Non-Executive Directors and the Senior Management are expected to devote their attention to the business interest of the Company. They are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company or otherwise is in conflict with or prejudicial to the Company.
- Business Interests – If any member of the Board of Directors or the Senior Management considers investing in securities issued by the Company’s customer, supplier or competitor, they should ensure that these investments do not compromise their responsibilities to the Company. Many factors including the size and nature of the investment; their ability to influence the Company’s decisions, their access to confidential information of the Company, or of the other entity, and the nature of the relationship between the Company and the customer, supplier or competitor should be considered in determining whether a conflict exists. Additionally, they should disclose to the Company any interest that they have which may conflict with business of the Company.
- Related Parties – As a general rule, the Directors and the Senior Management should avoid conducting Company’s business with a relative or

any other person or a firm, Company, Association in which the relative or other person is associated in any significant role. Relatives shall include:

- Spouse
  - Father
  - Mother (including step-mother)
  - Son (including step-son)
  - Son's wife
  - Daughter (including step-daughter)
  - Father's father
  - Father's mother
  - Mother's mother
  - Mother's father
  - Son's son
  - Son's son's wife
  - Son's daughter
  - Son's daughter husband
  - Daughter's husband
  - Daughter's son
  - Daughter's son's wife
  - Daughter's daughter
  - Daughter's daughter's husband
  - Brother (including step-brother)
  - Brother's wife
  - Sister (including step-sister)
  - Sister's husband
- If such a related party transaction is unavoidable, they must fully disclose the nature of the related party transactions to the Board. Any dealings with a related party must be conducted in such a way that no preferential treatment is given to that party.
- In case of any other transaction or situation giving rise to conflicts of interests, details of the same shall be promptly informed to the Board and the Board should, after due deliberations, decide on its impact.

### **C. Applicable Laws**

The Directors and the Senior Management of the Company must comply with applicable laws, regulations, rules and regulatory orders. They should report compliance and any inadvertent non-compliance, if detected subsequently to the Board and the concerned authorities.

### **D. Disclosure Standards**

The Company shall make full, fair, accurate, timely and meaningful disclosures in the periodic reports required to be filed with Government and Regulatory agencies. The Directors and the Senior Management of the Company shall initiate all actions deemed necessary for proper dissemination of relevant information to the Board of Directors, Auditors and other Statutory Agencies, as may be required by applicable laws, rules and regulations.

### **E. Use of Company's Assets and Resources:**

Each member of the Board of Directors and the Senior Management has a duty to the Company to intimate in advance its interests while dealing with the Company's assets and resources. Members of the Board of Directors and the Senior Management are prohibited from:

- Using corporate property, information or position for personal gain.
- Soliciting, demanding, accepting, or agreeing to accept anything of value from any person while dealing with the Company's assets and resources.
- Acting on behalf of the Company in any transaction in which they or any of their relative(s) have a significant direct or indirect interest.

## **F. Confidentiality and Fair Dealings**

### **1. Company's Confidential Information.**

- The Company's confidential information is a valuable asset. It includes all the trade related information, trade secrets, confidential and privileged information, customer information, employee related information, strategies, research in connection with the Company and commercial, legal, scientific, technical data that are either provided to or made available to each member of the Board of Directors or the Senior Management by the Company either in paper or in electronic form to facilitate their work or that they are able to know or obtain access by virtue of their position with the Company. All confidential information must be used for Company's business purpose only.
- This responsibility includes the safeguarding, securing, and proper disposal of confidential information in accordance with the Company's policy on maintaining and managing records. This obligation extends to confidential information of third parties, which the Company has rightfully received under non – disclosure agreements.
- To further the Company's business, confidential information may have to be disclosed to the potential business partners. Such disclosure should be made after considering its potential benefits and risks. Care should be taken to divulge the most sensitive information, only after the said business partner has signed Confidentiality agreement with the Company.
- Any Publication or publicly made statement that might be perceived or construed as attributable to the Company, made outside the scope of any appropriate authority in the Company, should include a

disclaimer that the publication or statement represents the views of the specific individual and not the Company.

**2. Other confidential Information –**

The Company has many kinds of business relationships with many companies and individuals. Sometimes, they will volunteer confidential information about their products or business plans to induce Company to enter into a business relationship. At other times, the Company may request that the third party provide confidential information to permit the Company to evaluate a potential business relationship with that party. Therefore special care must be taken by the Board of Directors to handle the confidential Information of other responsibly. Such confidential information should be handled in accordance with the agreements with the third parties.

Directors shall not accept any offer, payment, promise to pay, Gift, or anything of value from customers, suppliers, shareholders/stakeholders, etc. that is perceived as intended, directly or indirectly to influence any business decision, any act or failure to act, any commission of fraud, or opportunity for the commission of any fraud.

**IV Good Corporate Governance practices**

Each Member of the Board of Directors of the Company should adhere to the following so as to ensure compliance with good corporate governance practices.

**(a) Do's**

- Attend Board meetings regularly and participate in the deliberations and discussions effectively.
- Study the Board papers thoroughly and enquire about follow – up reports on definite time schedule.
- Involve effectively in the matter of formulation of general policies.
- Be familiar with the broad objective of the Company and the policies laid down by the government and the various laws and legislations.
- Ensure confidentiality of the Company’s agenda papers, notes and minutes.

**(b) Don’ts**

- Do not reveal any information relating to any constituent of the Company to anyone
- Do not do anything, which will interfere with and /or be subversive of maintenance of discipline, good conduct and integrity of the staff.

**V. Waivers**

Any waiver of any provision of this code of conduct for a member of the Company’s Board of Directors and the Senior Management must be approved in writing by the Board of Directors of the Company.

The matters covered in this Code of Conduct are of utmost importance to the Company, its stakeholders and its business partners, and are essential to the Company’s ability to conduct its business in accordance with its value system.

**CONFIRMATION**

I have received and read the Company's Code of Conduct and agree to comply with the same.

PLACE

SIGNATURE

DATE

NAME: