



Hero MotoCorp Limited

Code of Conduct

1. INTRODUCTION

This Code of Conduct (“the Code”) will enable Hero MotoCorp Limited (“HMCL” or “the Company”) to maintain the standards of business conduct, thereby bringing efficiency, responsiveness and consistency in behaviour and decision making. It will also reduce risk by decreasing the possibility of harmful conduct. The Code will be applicable to all Directors and Employees of the Company. Employees will also include associates working for HMCL on third party contract/payroll.

The Code outlines the values that become the basis of this standard. It is based on the eight principles that have been identified through research, as being fundamental to all codes. Everyone should read and understand the Code, and incorporate it in day-to-day behaviour.

The Directors and all Employees of the Company shall ensure adequate care in performance of his/her duties, be loyal to the Company and act in good faith. The Directors shall, further, be independent in their judgement and actions and take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors.

This Code is designed to enable you to recognize situations that may require you to consider your approach; ask for guidance; and make the right decision, for the Company, for all stakeholders and for yourself.

The eight principles SN 3 to 10 are taken from GBS Codex, copyright HBSP, Approval #614127

2. RAISING ETHICAL ISSUES

Compliance with the highest ethical standards is a critical element of your responsibilities. HMCL strongly encourages you to raise concerns regarding any violation of the Code and to report these immediately. Early identification and resolution of these issues are critical to maintain HMCL's commitment to be one of the world's most respected companies.

The Code attempts to provide an overview of some of the key policies which you need to be aware of. However, HMCL cannot anticipate every issue you may encounter. Situations in the workplace may arise where the proper course of action may not be clear. In these situations, you should use your judgement and common sense; if something seems unethical or improper to you, it may very well be. If you have any questions regarding the best course of action in a particular situation, or if you reasonably suspect or become aware of a possible violation of a law, regulation or HMCL Code of Conduct, you should promptly contact the Ethics Committee at ethics@heromotocorp.com.

Any suspected violation by the Directors may be reported to the Chairman of the Board or the Chairman of the Audit Committee. All reported violations should be appropriately investigated.

If you are uncomfortable about raising your concerns in-person, you can also report using any of the reporting channels.

S. No.	Reporting Channel	Contact Information	Availability
1.	Phone (Toll Free number) <i>(airtime may be charged by some mobile networks)</i>	1800 833 2595	24*7
2.	E-mail	SpeakUp@HeroMotoCorp-EthicsHotline.com	24*7
3.	Web	www.HeroMotoCorp-EthicsHotline.com	24*7

The Company will ensure that no retaliation takes place against any employee who raises a concern in good faith about a possible violation of the Company's Code of Conduct.

3. FIDUCIARY PRINCIPLE

3.1 Conflict of interest

Duty to the Company requires its Employees, to avoid and disclose actual and apparent conflicts of interest. *Conflicts of interest exist where the interests or benefits of one person or entity conflict with the interests or benefits of the Company.*

Any situation that may give rise to actual or potential conflict of interest must be avoided. Conflicts also occur when one receives improper benefits, preferential treatment or a personal or financial interest which is contrary to the interests of the Company.

An employee of the Company shall not, without the prior approval of the Managing Director / CEO of the Company, maintain parallel employment or any other position of responsibility with any other Company while working for HMCL, as the same may have an effect on the performance of the Employee. An employee, subject to the approval of the Ethics Committee may accept directorship, partnership or membership of any other company, firm or entity, provided the same is in a passive capacity, the entity is owned by the employee's family and should not have any conflict with his or her professional interest. Employees may accept honorary positions for community work, social service, etc.

No employee either directly or through his family members or otherwise shall seek or accept any payment or benefits including loans or guarantees from any supplier, network partners or competitor of the Company and no investments shall be made in any of these entities. However, loans and other financial transactions from financial institutions and banks which are on arm's length basis are allowed.

No Employee shall appropriate corporate business opportunities for themselves and use the Company information or position for personal gains.

In carrying out their duties and responsibilities, the Directors should avoid

- Appropriating corporate business opportunities for themselves that are discovered through the use of Company property or information or their position as Directors and Specified employees;
- Using Company property or information, or their position as Director and Specified employees, for personal gain; and
- Competing with the Company.

A corporate business opportunity is an opportunity:

- which is more than 5% of the valuation of the venture into which investment is being considered;
- which is in the Company's line of business or proposed expansion or diversification;
- which the Company is financially able to undertake; and
- which may be of interest to the Company.

A Director, who receives such a corporate business opportunity and who wishes to avail it should disclose such opportunity to the Company's Board of Directors. If the Board of Directors determines that the Company does not have an actual or expected interest in such opportunity, then, and only then, may the Director avail it, provided that the Director has not wrongfully utilized the Company's resources in order to acquire such opportunity.

3.2 All Directors and Employees shall ensure that the Company's interests are never compromised in their dealings with suppliers and customers.

3.3 Gifts and entertainment

A Director or an Employee or someone from their immediate family should not receive gifts, perks, services, entertainment, or other items from the Company's suppliers or customers. However, an Employee may receive only generic gifts, like chocolates, sweets, etc. at the time of festivals and upto a monetary value of Rs. 2,500. Moreover, such gifts are permitted only if they are not made or received on a regular or frequent basis.

In certain cases,

1. Refusing a gift from someone with whom the Company does business may damage its business relationship with that person, or
2. A gift has been sent through courier service, and cannot be returned.

In these cases, the Employee should consult with the Functional Head / HR Department, about how such gifts should be treated. Such gifts then should be accepted it as the property of the Company and handed over for appropriate use.

3.4 Business opportunities

The Directors and Employees should also refrain from pursuing opportunities, which are of the nature of personal benefit, discovered through position or Company resources. These should be used for fulfilling Company purposes only.

3.5 An Employee will not do business on behalf of HMCL with a member of his/her household or a close relative. Related party transactions shall be governed and approved by the policies framed in this regard and law applicable from time to time.

3.6 Employees should avoid investing in or acquiring a financial interest for their own accounts in any business organization that has a contractual relationship with the Company, or that provides goods or services, or both to the Company, if such investment or interest could influence or create the impression of influencing their decisions in the performance of their duties on behalf of the Company.

3.7 Trading or dealing in Company securities

The Company's securities are listed on the stock exchanges of the country and the Company is committed with securities laws as part of SEBI Regulations. The Directors and Employees shall not indulge in trading in Company's securities on the basis of unpublished information. All unfair practices in the securities market, including insider trading, are prohibited.

3.8 Intellectual Property Rights

Directors and Employees should not use HMCL's name, logo or trademarks (including on corporate letterhead or personal websites), facilities or relationships for personal benefit or for outside work. Use of HMCL's name, facilities or relationships for charitable or pro bono purposes can be made only with prior approval from appropriate authority.

3.9 Disclosure

All employees should disclose their personal relationships at work. Any personal relationship(s) developed by Employees amongst themselves should be disclosed promptly to the HR business partner and the functional head, so that required action, if any, can be initiated / taken.

4. PROPERTY PRINCIPLE

4.1 No misuse of Company facilities

During the use of Company facilities, care shall be exercised to ensure that costs are reasonable and there is no theft, wastage, inappropriate use or destruction of economic value.

4.2 Protection of Company assets

All Directors and Employees should protect Company assets, including confidential and proprietary information, funds and equipment. The assets must be used appropriately, efficiently and diligently only for legitimate business purposes. Any use of Company assets for personal use, individual profit or any unlawful, unauthorized or unethical purpose is strictly prohibited.

4.3 Intellectual Property Rights

All Directors and Employees should respect property rights of competitors, including intellectual property rights (IPRs). IPRs broadly cover patented or patentable inventions, trademarks, copyrights and designs.

4.4 Confidential Information

All Directors and Employees shall ensure the security of all confidential information available to them in the course of their duties. (Please refer separate Information Security Policy on this subject). *Confidential information means all non-public information in HMCL's possession, whether through internal or external development, that might be of use to competitors, or harmful to the financial stability or competitive position of HMCL or have an impact on the price of Company's securities, if disclosed.* The obligation of non-disclosure of any confidential information shall continue to be in force even after an Employee leaves the Company.

4.5 Employees must safeguard all confidential information of all stakeholders and shall ensure that such information is used only for the reasons for which the information was gathered or other reasons allowed by law and that information is only shared with authorized individuals.

5. RELIABILITY PRINCIPLE

5.1 Ethical conduct/Integrity

The Company's reputation depends on the conduct of its Employees. Every Director and Employee of HMCL must play a part in maintaining the Company's reputation for the highest ethical standards. The Directors and Employees shall not indulge in any unwanted and unacceptable behaviour.

5.2 No Director or Employee shall indulge in false advertising, deceptive marketing practices, or other misleading representations.

5.3 All directors and employees are expected to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working on the Company's premises, at offsite locations where the Company's business is being conducted, at Company sponsored business and social events, or at any other place where the Company is being represented. An honest conduct is a conduct that is fair, accurate and free from fraud and deception.

5.4 Honesty

All Directors and Employees should also follow through on promises and be faithful to their word. All agreements and other voluntary undertakings should be maintained, whether or not embodied in legally enforceable contracts.

5.5 Commitment

Directors and Employees are expected to honor the commitments made in the name of the Company. The suppliers and partners should be paid on time. This should be in accordance with agreed-upon terms and conditions.

6. TRANSPARENCY PRINCIPLE

- 6.1 All Directors and Employees shall ensure that their actions in the conduct of business are totally transparent except where the need of business security dictates otherwise.
- 6.2 Financial and Non-financial Reporting
Accurate and reliable records of many kinds are necessary to meet the Company's legal and financial obligations and to manage the affairs of the Company. The Company's books and records must reflect in a full, fair, accurate and timely manner all business transactions. The Directors and Employees responsible for accounting and record keeping must fully disclose and record all assets, liabilities, or both, and must exercise diligence in enforcing these requirements.
- 6.3 The Company's policy is to provide timely, relevant, accurate, fair and understandable disclosure of relevant information - financial as well as non-financial. Accordingly, Directors and Employees must ensure that they comply with the disclosure controls and procedures and internal controls for financial reporting.
- 6.4 Records and Disclosures
All Directors and Employees of HMCL shall ensure, at all times, the integrity of data or information furnished by him/her to the Company. This will include any information - internal or external, including but not limited to: expense, attendance, production, financial, or similar reports and statements. The Directors and Employees shall not make any willful omissions or misrepresentations.
- 6.5 Communication
HMCL shall be represented at various forums, by specifically authorized Directors and Employees. It will be the sole responsibility of only these authorized Directors and Employees, and not of any other Employee to disclose information about the Company.
- 6.6 All communication to external stakeholders would be undertaken by authorized Employees/persons of the Company. When request for such interactions reach individual Employee, he or she will seek direction from their functional heads so that such requests may be directed to the authorized Employee.
- 6.7 Disclosure / Information / Declaration
All Directors and Employees shall declare and provide information about their relatives (spouse, children and parents) as and when and to the extent required by the Company. They should inform the Company if they are facing any legal proceeding or litigations in any court of law.

7. DIGNITY PRINCIPLE

7.1 Equal Employment Opportunity

HMCL aims to create equal employment opportunities such that all employees achieve their full potential.

7.2 In dealing with each other, the Directors and Employees shall uphold Company's core values – Passion, Courage, Respect, Responsibility and Integrity. They should respect the dignity and human rights of everyone and not practice any form of discrimination on the basis of class, caste, religion, colour, creed, age, marital status, gender or other legally protected personal characteristics or impairment of any kind, while dealing with any employee, customer, supplier or any business partner. The Company aims at protecting and promoting the fundamental human rights of everyone associated with the Company. The Company also strives to maintain a work environment that is free from any harassment based on above considerations.

7.3 Responsive and safe work environment

An Employee shall treat other employees of the Company and all others, while discharging his or her duties, with dignity and respect and in the manner, so as to maintain a work environment free of sexual harassment, whether physical, verbal, written, psychological or in any other form.

7.4 The Company attaches great importance to a healthy and safe work environment and is committed to providing good physical working conditions. The Company encourages high standards of hygiene and housekeeping and compliance with all applicable health and safety policies. Any use or distribution of drugs and alcohol is prohibited at work. Further, any use of weapons and ammunition is also prohibited.

7.5 HMCL would continue to encourage its suppliers, dealers and customers to acquire awareness, and commit to healthy and safe work environment and practices.

7.6 As a good corporate citizen, HMCL is committed to a gender friendly workplace. It provides fair and equitable wages, benefits, and other conditions of employment. The Company seeks to enhance equal opportunities for men and women; prevent, stop and redress sexual harassment at the workplace and institute good employment practices. The Company strictly prohibits child labour and forced labour.

7.7 Diverse & Inclusive culture

HMCL embraces diversity. It extends equitable status to all irrespective of their culture, ethnicity, religion, race, caste and gender.

7.8 The employees should respect the culture of Company's partners and their conduct should be aligned with this.

7.9 Training and development

The Company will continue to invest in training and development of its Employees. It would continue to provide them opportunities to actualize their potential, creating greater value for the Company and for themselves.

8. FAIRNESS PRINCIPLE

8.1 Fair dealing

The Company is committed to deal fairly with its shareholders, employees, customers, vendors, competitors and all its associates. The objective is to create and commensurate value for all, without exploiting any stakeholder.

8.2 No Director or Employee may take unfair advantage of anyone through manipulation, concealment, abuse of confidential information, misrepresentation of material facts or other unfair dealings or practice.

8.3 The Company, its Directors or an Employee shall not engage in activities, which generate or support the formation of monopolies, cartels and similar unfair trade practices.

8.4 HMCL shall market its products and services on its own merits and shall not make unfair and misleading statements either about its own products or those of its competitors.

8.5 Anti-corruption and anti-bribery

Directors and Employees shall refrain from offering or giving any Company funds, resources or property as donation or otherwise to any government or non-government agencies or their employees, business partners, customers or their representatives, either directly or through intermediaries, in order to obtain any favours, influence business decisions or take any unfair advantage.

8.6 Directors and Employees will not achieve results through unethical business dealings. This includes any payments for illegal acts, indirect contributions, bribery etc.

9. CITIZENSHIP PRINCIPLE

9.1 Compliance with Law

It is the Company's policy to comply fully with all applicable laws and regulations including Competition laws and fair trade and business practices. The Company cannot accept practices which are unlawful or damaging to its reputation. Practices, if any, which are likely to be in violation of the Law, will be identified and set right.

9.2 Directors and Employees shall possess appropriate knowledge of the legal procedures relating to their roles and duties. They shall understand and abide by the law as well as the spirit of applicable laws. They shall also make adequate efforts and take responsibility to stay informed of any revisions to the law and take the necessary courses of action.

9.3 Directors or Employees, who are uncertain about the application or interpretation of any legal requirements, should refer the matter to the Legal department of the company or the relevant and appropriate authority.

9.4 Directors and Employees shall extend full cooperation to legal, regulatory and other statutory authorities and disclose information as required.

9.5 Environment

The Company is committed to best practices in environmental matters arising out of its business activities and expects each Employee to remain committed to this.

9.6 Directors and Employees shall be committed to minimising hazardous impact of the development, production, use and disposal of products and services on the ecological environment. Wherever possible, the Company would like to preserve and enhance the surrounding natural environment.

9.7 Political dealings

The Company and its Directors and Employees should not get involved in political activities and campaigns.

9.8 Economic development

The Company is committed in all its actions to benefit the economic development of the countries in which it operates.

10. RESPONSIVENESS PRINCIPLE

10.1 Community development

HMCL plays a strong role in supporting the communities in which it does business.

10.2 The Company shall assist in the improvement of the quality of life of the people in the communities in which it operates. Such social responsibility would include actions such as, supporting community initiatives in the field of community health and family welfare, water management, vocational training, education, women empowerment, literacy, etc.

10.3 Charitable contributions

The Company would appropriately contribute to charitable causes of apolitical nature, which are within its capacity and those that build capabilities of self-sustenance. But charitable contributions may not be given or requested by an employee, customer, vendor or other business partner as a condition of or in order to influence a business decision.

10.4 Customer Focus

The Company shall be responsive to the needs of customers and offer products and services whose quality and timelines meet or exceeds customers' expectations The Company shall also address customer complaints, if any, in a timely manner and to the satisfaction of the customer.

11. ADDITIONAL INFORMATION

At HMCL, we aspire to the highest standards of ethical and professional conduct. In the thousands of decisions, we make and actions we take every day, we affirm our commitment to this Code of Conduct and commit to create value for all our stakeholders.

11.1 CERTIFICATION AND SIGN OFF

It is the responsibility of the Directors and Employees to accept to abide by Code of Conduct, complete certification process annually or as may be specified and exhibit acceptable behaviour.

11.2 RESPONSIBILITIES

i EMPLOYEES

Every employee needs to

- Undergo training on Code of Conduct
- Complete certification process
- Complete sign off to abide by Code of Conduct

ii MANAGERS

Managers need to ensure that subordinates

- Undertake training on Code of Conduct
- Complete Code of Conduct certification and signoff process

iii KEY / LEADERSHIP POSITIONS

Every employee needs to

- Undergo detailed training on Code of Conduct
- Complete certification and sign off process every year

iv. DIRECTORS

Every Director shall affirm compliance with the Code of Conduct

11.3 VIOLATIONS OF THE CODE

It is the responsibility of the Directors and Employees to help enforce this Code. All should be alert to possible violations and report this as discussed earlier in "Section 2".

Directors and Employees must co-operate in any internal or external investigations of possible violations. The Company will take appropriate disciplinary and/or legal action against any Director or Employee whose actions including fraudulent behaviour, misrepresentation or misconduct are found to violate the Code or any other policy of the Company.



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