

TVS ELECTRONICS LIMITED (TVS-E)

CODE OF BUSINESS CONDUCT AND ETHICS OF BOARD & SENIOR MANAGEMENT

A. PHILOSOPHY OF CODE OF GOVERNANCE

TVS Electronics Limited (TVS-E), in line with TVS Group philosophy, truly believes in independence, responsibility, transparency, professionalism, accountability and code of ethics, which are the basic tenets of corporate governance.

TVS-E always seeks to achieve optimum performance at all levels in adopting and adhering to best corporate governance practices. TVS-E has always focused on corporate governance as a means to maximize long-term stakeholders' value through disciplined and sustained growth and value creation.

B. CODE

This code of business conduct and ethics helps to ensure compliance with legal requirements and standards of business conduct.

The board of directors (the board) has adopted a code of business conduct and ethics (the code) for all board members and senior management personnel viz., all members of management one level below executive directors, including all functional heads.

Every board member and senior management personnel is expected to read and understand this Code and its application to the performance of his or her duties, functions and responsibilities.

C. COMPLIANCE OFFICER

Company Secretary is the compliance officer for the purpose of this code. The compliance officer shall refer to the Chairman of the Board any complaint received for necessary action.

D. DUTIES & RESPONSIBILITIES OF BOARD MEMBERS AND SMP

All board members and senior management personnel shall:

1. HONESTY, INTEGRITY & PROFESSIONAL CONDUCT

- 1.1 Conduct their activities, on behalf of TVS-E and on their personal behalf, with honesty, integrity and fairness and uphold ethical standards of integrity and probity;
- 1.2 Act in good faith, responsibility, with due care, competence and diligence, without allowing their independent judgment to be subordinated and objectively and constructively, while exercising his / her duties;
- 1.3 Act in the best interest of TVS-E, its various stakeholders including TVS-E shareholders and fulfill the fiduciary obligations and exercise his / her responsibilities in a bona fide manner in the interests of TVSE;
- 1.4 Not engage in conduct likely to bring discredit upon TVS-E;
- 1.5 Not abuse his / her position to the detriment of TVSE or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associate person;
- 1.6 Not allow any extraneous considerations that will vitiate his exercise of objective judgments in the paramount interest of TVSE as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- 1.7 Comply with every provision of this Code and assist TVSE in implementing the best corporate governance practices.

2. DUTIES

- 2.1 Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the activities;
- 2.2 Seek appropriate clarification or amplification of information and whenever necessary take and follow appropriate professional advice and opinion of outside experts;
- 2.3 Strive to attend all meetings of the Board and of the Board committees of which he / she is a member;
- 2.4 Participate constructively and actively in all the meetings of the committees of the Board in which they are chairpersons or members;
- 2.5 Strive to attend all general meetings of TVSE as a member of the Board;

- 2.6 Where they have any concerns of any action or a proposed action, ensure that these are addressed by the Board and to the extent that they are resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- 2.7 Keep themselves well informed about TVSE and the external environment in which it operates;
- 2.8 Not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.
- 2.9 Pay sufficient attention and ensure that adequate deliberations are held before approving any related party transactions and assure themselves that the same are in the interests of TVSE.
- 2.10 Report concerns about unethical behaviour, actual or suspected fraud or violation of this policy;
- 2.11 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.

3. CONFLICT OF INTEREST

- 3.1 Shall not engage in any business, relationship or activity, which may be in conflict of interest of TVS-E or the group companies. Conflict of interest may not always be clear-cut. Any question therefore about a board member's or senior management personnel's actual or potential conflict of interest with TVS-E should be brought promptly to the attention of the Chairman of the board who will review the question and determine a proper course of action including whether consideration or action by the full board is necessary.
- 3.2 Shall exclude themselves from any discussions or decision on any matter, if they are involved in any conflict or potential conflicting situations.

4. FAIR DEALING

- 4.1 Shall deal fairly with TVS-E's customers, suppliers, competitors, officers and employees.
- 4.2 Shall not take any unfair advantage of TVS-E's customers, suppliers, competitors or employees through manipulating, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

- 4.3 Shall not gift or entertain in any form that is likely to result in a feeling of expectation of personal obligation should not be accepted or extended.

5. CORPORATE OPPORTUNITIES

- 5.1 Shall not exploit for their own personal gain opportunities that are discovered through the use of TVS-E property, information or position unless the opportunity is disclosed fully in writing to the board and the board declines to pursue such opportunity.

6. CONFIDENTIAL INFORMATION

- 6.1 Shall maintain confidentiality of information (price sensitive or otherwise) they receive while being in office of TVS-E and ensure always information security policy of TVS-E.
- 6.2 They will also ensure that the interests of any employee who uses the vigil mechanism to report genuine concerns about unethical behaviour are not prejudicially affected on account of such use and shall maintain confidentiality of all matters under this policy.

7. CONFIDENTIAL INFORMATION OF OTHERS

- 7.1 Shall abide by the terms of the relevant non-disclosure agreement and limit its use to the specific purposes for which it was disclosed and to disseminate it only to others with a need to know the information. All board members and senior management personnel shall not attempt to obtain a competitor's confidential information by improper means.

8. PROTECTION OF ASSETS

- 8.1 Shall endeavour their best to protect TVS-E's assets and shall not use the same for personal benefit, unless approved by the board.

9. SEXUAL HARASSMENT

- 9.1 Shall not indulge in sexual harassment whether directly or by implication which includes such unwelcome behaviour or physical contact and advances, or a demand or request for sexual favours, sexually coloured remarks or any other verbal or non verbal communication of sexual nature is strictly prohibited.

10. REGULATIONS

- 10.1 Shall comply with all applicable laws, rules, regulations and guidelines, including obligations under take-over and insider trading regulations and all applicable SEBI Regulations, provisions of Listing Agreement and shall report actual non-compliances, if any, of law, this code, or other TVSE policies or procedures to the board.
- 10.2 Shall provide accurate, timely and important information necessary to ensure that TVS-E's published reports meet the requirements of SEBI, RBI, Stock Exchanges and other regulations or Acts or Rules made thereunder. TVS-E expects all board members and senior management personnel to provide prompt and accurate answer to enquiries relating to its public disclosure requirements.

E. WAIVER

Waiver of this Code in any respect or respects may be made only by the board and will be publicly disclosed if required by any applicable laws or regulation. As a general policy, the board will not grant waivers to the Code. Having regard to the business practices, or the legal and regulatory framework applicable, the board will review, revise or update the code, as it deems appropriate.

F. COMPLIANCE

All board members and senior management personnel shall affirm compliance with the Code and issue compliance letter on an annual basis.

**FORM OF ANNUAL DECLARATION BY
BOARD OF DIRECTORS
ON COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND
ETHICS OF THE COMPANY**

The Compliance Officer
TVS Electronics Limited
"Jayalakshmi Estates"
29, Haddows Road
Chennai - 600 006

Madam,

I, _____, Director of TVS Electronics Limited,
solemnly and sincerely affirm that I have adhered to the provisions of Code of Business
Conduct and Ethics of the Company for the financial year ended 31st March, _____.

Thanks,

Signature :

Name :

Designation :

Date :

**FORM OF ANNUAL DECLARATION BY
SENIOR MANAGEMENT PERSONNEL
ON COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND
ETHICS OF THE COMPANY**

The Chairman
TVS Electronics Limited
"Jayalakshmi Estates"
29, Haddows Road
Chennai - 600 006

Sir,

I, _____, (Name and designation) of TVS Electronics Limited, solemnly and sincerely affirm that I have adhered to the provisions of Code of Business Conduct and Ethics of the Company for the financial year ended 31st March, _____.

Thanks,

Signature :

Name :

Designation :

Date :

**DECLARATION BY SENIOR MANAGEMENT PERSONNEL IN TERMS OF CLAUSE 49(II)(E)(2) OF THE
LISTING AGREEMENT WITH THE STOCK EXCHANGES BY THE COMPANY**

The Board of Directors
TVS Electronics Limited
“Jayalakshmi Estates”
29, Haddows Road
Chennai - 600 006

Sir,

In terms of the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges regarding the Corporate Governance, I wish to affirm that:

1. I do not have any material financial and commercial transactions with the Company, where my personal interest potentially conflicts with the interests of the Company at large.
2. I also affirm that I do not hold any shares / I hold _____ shares of the Company as on 31st March _____, in my name or through my dependents
3. I further affirm that I have not traded in the shares of the Company for the financial year ended 31st March _____

OR

4. I confirm that I purchased / sold _____ no. of shares in the Company during the financial year ended 31st March _____, but I confirm that these shares were never traded by me when the CLOSURE OF TRADING WINDOW was announced by the Company under the SEBI (Insider Trading) Regulations.
5. I also affirm that I do not have any commercial dealing with any body corporate in which the management and their relatives hold shares.

Thanks,

Signature :

Name :

Designation : _____

Date : _____