

22<sup>nd</sup> July, 2014

**Ms Mona N Desai  
Blooming Heights  
Co-op. Hsg. Socy. Limited,  
2nd floor,  
Auxilium Convent Road,  
Bandra (W),  
Mumbai – 400050**

Dear Ms. Desai,

We are pleased to inform you that the Shareholders of the Company at the Annual General Meeting held on 22nd July, 2014 appointed you as an Independent Director to hold office for five consecutive years upto the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2019.

You shall continue to be a member of the Audit Committee and Remuneration & Nomination Committee.

You shall be entitled to sitting fees for such amounts as may be decided by the Board of Directors from time to time for attending meetings of the Board of Directors and Committees thereof. You shall also be entitled to be reimbursed all expenses incurred in connection with the Company's business including expenses for participation in the meetings of the Board and any Committees thereof.

You shall be covered under the Directors and Officers Liability Insurance Policy taken by the Company.

As an Independent Director you are expected to safeguard the interest of the Company, its stakeholders and employees and in particular:

- i. regularly update and refresh your skills, knowledge and familiarity with the Company;
- ii. 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;

- iii. strive to attend all meetings of the Board of Directors and of the Board Committees of which you are a member;
- iv. participate constructively and actively in the Committees of the Board in which you are the Chairman or member;
- v. strive to attend the general meetings of the Company;
- vi. where you 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 your concerns are recorded in the Minutes of the Board meeting;
- vii. keep yourself well informed about the Company and the external environment in which it operates;
- viii. not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- ix. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same are in the interest of the Company;
- x. ascertain and ensure that the Company has an adequate and functional vigil mechanism and also ensure that the interests of a person who uses such mechanism is not prejudicially affected on account of such use;
- xi. report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy;
- xii. 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.

As you are aware the Board of Directors has approved of a Code of Conduct which is required to be followed by all Directors and Members of the Senior Management. A copy of such Code is enclosed for your ready reference.

As an Independent Director you shall be held liable only in respect of such acts of omission or commission by the Company which occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you have not acted diligently with respect of the provisions contained in the Listing Agreement.

We are confident that the Company shall continue to benefit from your expert advice and guidance.

Thanking you

Yours faithfully  
**For Exide Industries Limited**

A handwritten signature in blue ink, appearing to read 'P K Katakya', is written above the printed name.

**P K Katakya**  
**Managing Director & CEO**

Encl: a/a

## Exide Industries Limited

### Code of Conduct for Board of Directors and Senior Executives

#### 1. INTRODUCTION

This Code of Conduct for Board of Directors and Senior Executives – VPs and above (the “Code”) of Exide Industries Limited (“the Company”) helps in maintaining and following the standards of business conduct of the Company. The purpose of the Code is to deter wrongdoing and promote ethical conduct in the Company. The matters covered in this Code are of the utmost importance to the Company, its stakeholders and business partners.

Further, these are essential so that we can conduct our business in accordance with our stated values.

Ethical business conduct is critical to a business. Accordingly, executives of the Company are expected to read and understand this Code, uphold these standards in day-to-day activities, and comply with all applicable laws; rules and regulations and all applicable policies and procedures adopted by the Company that govern the conduct of its employees. For any further clarifications they may contact Compliance Officer (Company Secretary) of the Company.

The Board of Directors will approve this Code and it would be applicable to each Director as soon as it is approved by the Board. However, in case of VP and above executives of EIL, they should sign the acknowledgment form at the end of this Code and return the form to the Compliance Officer indicating that they have received, read and understood, and agreed to comply with the Code. The signed acknowledgment form will be filed in each Officer’s personnel files.



## **2. HONEST AND ETHICAL CONDUCT**

All executives 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 Company sponsored business and social events, or at any other place where executives represent the Company.

Honest conduct is understood as such conduct that is ethical, free from fraud or deception and conforming to the accepted professional standards. Ethical conduct includes the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

## **3. CONFLICTS OF INTEREST**

An Officer's duty to the Company demands that he or she avoids and discloses actual and apparent 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, executives are expected to devote their full attention to the business interests of the Company. Executives 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. The Company's policies prohibit executives from accepting simultaneous employment with suppliers, customers, or competitors of the Company, or from taking part in any activity that enhances or supports a competitor's position. Additionally, executives must disclose to the Company's Managing Director/ Audit Committee, any interest that they have that may conflict with the business of the Company.

*B. Outside directorships and employment* - It is a conflict of interest to serve as a Director / employee in any other organization which is doing the similar business in which the Company is engaged. Therefore, no Sr. Employee / Director of the Company can serve in any other



organization as Employee/ Director of that organization which is doing the similar business in which this Company is engaged.

However, any Employee / Director of the Company may with the prior written approval of the Managing Director / Board of Directors of the Company accept position of nonwholetime directors in any other organization which is doing the similar business in which our Company is engaged.

*C. Related parties* - As a general rule, executives 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, children, parents, grandparents, grandchildren, aunts, uncles, nieces, nephews, cousins, step relationships, and in-laws. The Company discourages the employment of relatives of executives in positions or assignments within the same department. 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).

*D. Payments or gifts from others* - Under no circumstances may executives accept any offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value from customers, vendors, consultants, etc., that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, or opportunity for the commitment of any fraud.

Inexpensive gifts, infrequent business meals, celebratory events and entertainment, provided that they are not excessive or create an appearance of impropriety, do not violate this policy. Before accepting anything which may not qualify as inexpensive or token gift from an employee of any entity, the Compliance Officer may be contacted. Questions regarding whether a particular payment or gift violates this policy are to be directed to the Compliance Officer. Gifts given by the Company to suppliers or customers, or received from suppliers or customers,

should be appropriate to the circumstances and should never be of a kind that could create an appearance of impropriety. However, employees may accept inexpensive gifts given during festive occasions such as Diwali/ Puja or New Year.

*E. Corporate opportunities* - Executives may not exploit for their own personal gain the opportunities that are discovered through the use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Company.

*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, Executives must consult the Managing Director/Compliance Officer.

#### **4. CONNECTION WITH PRESS/TV/RADIO**

The Managing Director & CEO is the person who would normally interact with the media/ radio/ press/social media etc., other than those authorized by him. No officer of the Company can criticize the Company in any article / in radio / TV broadcast / social media etc.

#### **5. DISCLOSURE**

The Company's policy is to provide full, fair, accurate, timely, and understandable disclosure in reports and documents that are filed with, or submitted to any outside agency and in our other public communications. Accordingly, the executives must ensure that they and others in the Company comply with Company's disclosure controls and procedures, and our internal controls for financial reporting.

#### **6. CONFIDENTIALITY**

No Director or executive of the Company shall 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.



## **7. COMPLIANCE WITH GOVERNMENTAL LAWS, RULES AND REGULATIONS/INTERNAL COMPANY POLICIES**

Executives must comply with all applicable governmental laws, rules and regulations. Executives must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers, and to know when to seek advice. Executives must comply with the Company's internal policies. HR Department will arrange training for those employees who are discharging the functions relating to compliance with the rules/ laws/ technical know and research & development activities for their respective departments.

## **8. DUTIES OF INDEPENDENT DIRECTORS**

The Independent Directors are expected to safeguard the interest of the Company and all its stakeholders and in particular should:

- i. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- ii. 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;
- iii. strive to attend all meetings of the Board of Directors and of the Board Committees of which he/she is a member;
- iv. participate constructively and actively in the Committees of the Board in which they are the chairpersons or members;
- v. strive to attend the general meetings of the Company;
- vi. 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;



- vii. keep themselves well informed about the Company and the external environment in which it operates;
- viii. not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- ix. 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;
- x. 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;
- xi. report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct;
- xii. acting within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees:

## **9. VIOLATIONS OF THE CODE**

Part of an Officer's job and of his or her ethical responsibility, is to help enforce this Code. Executives should be alert to possible violations and report this to the Compliance Officer/Managing Director. Executives must cooperate in any internal or external investigations of possible violations. Reprisal, threat, retribution or retaliation against any person who has, in good faith, reported a violation or a suspected violation of law, this Code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation, is prohibited.

Actual violations of law, this Code, or Company's other policies or procedures, should be promptly reported to the Compliance Officer/Managing Director.

The Company will take appropriate action against any officer whose actions are found to violate the Code or any other policy of the Company, after giving him a reasonable opportunity of being heard. Where laws have been violated, the Company will cooperate fully with the appropriate authorities and regulators.

#### **10. WAIVERS AND AMENDMENTS OF THE CODE**

We are committed to continuously reviewing and updating our policies and procedures. Therefore, this Code is subject to modification. Any amendment/ inclusion or waiver of any provision of this Code must be approved by the Company's board of directors and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment or waiver.

**Note: - This Code of Conduct will be available in the web-site of the Company. As soon as it is approved by the Board the same will be applicable to all the Directors and Senior Executives who shall be deemed to have affirmed compliance to this Code**

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*Acknowledgment of Receipt of Code of Conduct for Senior Executives*

**I have read, understood, and agree to comply with the Code of Conduct of Exide Industries Limited.**

**Signature :** .....

**Name :** .....

**Place :** .....

**Date :** .....