

JTEKT INDIA LIMITED

CODE OF CONDUCT

(A) For Board of Directors (Other Than Independent Directors) and Senior Management

I) Introduction

It is of major importance to corporations and their leaders to create a corporate culture that promotes ethical conducts on the part of those corporations and their employees. The single most important factor in creating such a culture is the quality of corporate leadership, especially the "tone at the top" set by the board and senior management.

The principal duty of the Board of Directors and the Senior Management personnel is to ensure that the Company is well managed in the interests of its shareholders and stakeholders. The Board of Directors plays the central role in the Company's governance. It is the Company's decision-making authority on all matters except those reserved to shareholders or delegated to the Senior Management personnel. The Board of Directors is not expected to assume an active role in the day-to-day management of the Company.

We, the directors and the Senior Management personnel of JTEKT India Limited (formerly known as Sona Koyo Steering Systems Limited), understand this responsibility and are committed to it. We believe that each director and the Senior Management personnel, by agreeing to serve as a director and the Senior Management personnel has agreed to read, understand and adhere to this Code of Conduct for JTEKT India Limited Directors and the Senior Management personnel (the "Code"). Each director and the Senior Management personnel is expected to sign, on request, a written acknowledgement confirming compliance with this obligation.

II) Applicability

This Code of Conduct is applicable to:

- a) all the Directors of the Company other than independent directors;
- b) Senior Management personnel i.e. President, Senior Vice Presidents, Vice Presidents, Assistant Vice Presidents, General Manager;
- c) SCM in all Plants & Corporate;
- d) Central Procurement in all plants & Corporate;
- e) Administration head and team in all plants & Corporate;
- f) Stores Department – Head and key team members
- g) RQA – Plant QA and the RQA team members.

III) Accuracy of Business Records:

Honest and accurate recording and reporting of information is extremely important. Investors count on JTEKT India Limited to provide accurate information about its affiliates and to make responsible business decisions based on reliable records. Directors and the Senior Management personnel also must properly record the information related to their responsibilities.

Appropriate members of management must properly authorize all payments and transactions. All financial books, records and accounts must accurately reflect transactions and events, and conform both to generally accepted accounting principles and to Company's system of internal controls. Undisclosed or unrecorded funds or assets are not allowed.

It is unacceptable, for example, to make false claims on an expense report. No entry may be made that intentionally hides or disguises the true nature of any transaction.

IV) Recording Business Information:

Almost all business records may become subject to public disclosure in the course of litigation or governmental investigations. Records are also often obtained by outside parties or the media. Directors and the Senior Management personnel should therefore attempt to be as clear, concise, truthful and accurate as possible when recording any information. Avoid exaggeration, colourful language, guesswork, legal conclusions, and derogatory characterizations of people and their motives.

V) Protecting Company Assets:

Directors and the Senior Management personnel may be entrusted with JTEKT India Limited assets in connection with their responsibilities as directors and the Senior Management personnel. This includes assets such as equipment, inventory, supplies and intellectual property.

Company resources should be used only to conduct company business or for purposes authorized by management. Examples of prohibited personal use of company assets include removal of JTEKT India Limited property for personal use, unauthorized use of JTEKT India Limited vehicles or use of company-paid contractors to perform work at one's home. Unauthorized copying of software, tapes, books, and other legally protected work is also a misuse of assets and creates potential financial and legal liability for the company.

Any act by a JTEKT India Limited director and the Senior Management personnel that involves theft, fraud, unauthorized disclosure, embezzlement, or misappropriation of any property is prohibited. Each director and the Senior Management personnel is responsible for the assets under their control. Each director and the Senior Management personnel must follow security procedures to

protect assets and must be alert to situations that could lead to loss or misuse of assets.

VI) Protecting Confidential Information:

One of Company's most valuable assets is information. Like all other assets, information that is not generally disclosed and is helpful to the company (or to competitors) must be protected. Some examples of information that offers JTEKT India Limited a competitive advantage include trade secrets, detailed sales and profit figures, new product or marketing plans, research and development ideas or information, manufacturing processes, salary data, employee lists, and information concerning potential acquisitions, divestitures and investments.

Directors and the Senior Management personnel must safeguard confidential information by keeping it secure, limiting access to those who have a need to know in order to do their job, and avoiding discussion of confidential information in public areas such as planes, elevators, and restaurants and on mobile phones. The obligation to preserve Company's confidential information is ongoing, even after service ends.

VII) Conflicts of Interest:

Share owners of JTEKT India Limited expect that business decisions are made in the best interest of the company. Actions must be based on sound business judgment, not motivated by personal interest or gain. Directors and the Senior Management personnel cannot compete with JTEKT India Limited or usurp a corporate opportunity for personal gain. Any situation that creates or appears to create a conflict of interest must be avoided.

VIII) Disclosure:

As with many issues, the best way to avoid embarrassing conflict of interest situations is to disclose any that have the potential to be misinterpreted by others, including other directors, employees, customers, suppliers and the public. Questions about potential conflict of interest situations and disclosure of these situations as they arise should be directed to the Chairman of the Board and the Company Secretary.

IX) Family Members and Close Personal Relationships:

A conflict of interest may arise when doing business with or competing with organizations that employ or are partially owned by family members or close personal friends. Family members include, but are not limited to, spouse, children, parents, and siblings. Directors and the Senior Management personnel should disclose any such relationships to the Chairman of the Board and the Company Secretary to determine the best course of action.

X) Personal Investments:

Directors and the Senior Management personnel may not own, either directly or indirectly, a substantial interest in any business entity that does or seeks to do

business with or is in competition with JTEKT India Limited without providing advance notice to the Chairman of the Board and Secretary. Investments in publicly traded securities of companies not amounting to more than one-half of one percent of that company's total outstanding shares are permitted without such advance approval.

A conflict of interest may also arise if a director's and the Senior Management personnel's outside employment / engagement activities are so demanding that they interfere with his or her ability to fulfil his or her responsibilities to JTEKT India Limited.

XI) 'Inside Information' and Securities Trading:

Confidential information should not be used for personal benefit. It is prohibited to trade securities or to tip others to trade securities of JTEKT India Limited or other companies on the basis of material information before it is made publicly available to ordinary investors through appropriate media. Such information includes news about acquisitions, investments, new business relationships, financial results, important management changes, and other information that has the potential to affect the stock price of JTEKT India Limited or another company.

If doubt exists about whether the information is material or has been released to the public, do not trade until you have consulted with the Company Secretary or an attorney in the legal department. To avoid the appearance that any JTEKT India Limited director and the Senior Management personnel is trading on inside information, no director and the Senior Management personnel should engage in "short sales" or trade in puts, calls, or other options on JTEKT India Limited stock.

XII) Gifts, Favours and Entertainment:*

In many industries and countries, gifts and entertainment are used to strengthen business relationships. Throughout the world, one principle is common and clear: no gift, favour, or entertainment should be accepted or provided, in your role as a JTEKT India Limited director and the Senior Management personnel, if it will obligate or appear to obligate you.

XIII) Providing Gifts or Entertainment:*

Gifts or entertainment may not be provided in your role as a JTEKT India Limited director and the Senior Management personnel.

XIV) Accepting Gifts or Entertainment:*

Accepting occasional gifts and entertainment in your role as a JTEKT India Limited director and the Senior Management personnel may be appropriate in developing business relationships. Gifts and entertainment should further the business interests of JTEKT India Limited and not be lavish or in excess of the generally accepted business practices of one's country and industry.

Note: XII, XIII & XIV shall be additionally governed by the Anti-Corruption and Anti-Bribery Policy of the Company.

Requesting or soliciting personal gifts, favors, entertainment, or services, is unacceptable. Accepting gifts of cash or cash equivalents is also always unacceptable. Additionally, directors and the Senior Management personnel may not exploit their position to solicit vendors, including financial institutions, to provide individual preferential treatment in pricing, terms or loans.

XV) Competitive Information:

Information about competitors, customers and suppliers is a valuable asset in the highly competitive markets in which JTEKT India Limited operates. JTEKT India Limited will obtain this information legally. Theft of proprietary information, inducing disclosures by a competitor's past or present employees and any actions that could create an appearance of an improper agreement with competitors is prohibited. Any director and the Senior Management personnel who is authorized to retain a consultant to gather competitive information must take steps to ensure that the consultant adheres to these policies. When in doubt about the propriety of any information-gathering technique or about whether a competitor, supplier, or other external contact has given us confidential information, contact the Chairman of the Board and the Company Secretary.

XVI) The Law:

The first and foremost obligation of responsible citizenship is to obey the laws of the countries and communities in which JTEKT India Limited does business. Any case of non-compliance with applicable law may subject a director and the concerned Authorized Officer to disciplinary action. The fact that in some countries certain standards of conduct are legally prohibited but are not enforced in practice, or their violation is not subject to public criticism or censure will not excuse an illegal action by a JTEKT India Limited director and the concerned Authorized Officer.

XVII) Other Responsibilities:

We also expect directors and the Senior Management personnel to endeavour to deal fairly with Company's customers, suppliers, competitors and employees and to not take unfair advantage of any such person through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

XVIII) Reporting, Enforcement and Questions:

We encourage the reporting of any behaviour by directors and the Senior Management personnel, which violates the Code and will not tolerate retaliation against any person who in good faith reports such violations to the Chairman of the Board and the Company Secretary.

Any director and the Senior Management personnel with a concern or question about applicable provisions of the Code, or about conduct that may violate these provisions, should contact the Chairman of the Board and the Company Secretary. Such persons shall also be responsible for enforcing the applicable provisions of the Code.

XIX) Deviation / Waiver

Any deviation / waiver from this code can only be effected on the sole and absolute discretionary authority of the Board or any person / committee designated by the Board for this purpose.

(B) Independent Directors

I) Guidelines of Professional Conduct

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

II. Duties

The independent directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) 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;

- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) 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;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) 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;
- (10) 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;
- (11) report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) 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.

READ AND ACCEPTED

Signature : _____
Name of Director : _____
Date : _____