

Solectron EMS India Limited, Bangalore

Code of Conduct

I. PREAMBLE

Truth and transparency are part of the activities a Solectron EMS India Limited., (SEIL), which is continuing basis of its all-round growth and development. This Code of Conduct defines what SEIL expects from its business and personnel regardless of the location or their background. This code is applicable and binding on all the Directors and the Senior Management Team. As the aforesaid persons individually and collectively help shape the growth of the SEIL, they are individually and collectively responsible to ensure that SEIL operates with the highest degree of personal and professional integrity, honesty and ethical conduct.

The Code has been formulated so as to promote the highest degree of personal and professional integrity, honesty and values into practice. As it is not possible to address every possible situation that may arise, the provisions of this code are intended to provide guidance in making ethical decisions and should therefore be construed and applied to further the said objective. This Code shall be in addition to rules, regulations, standards, policies and procedures that may be laid by the SEIL from time to time.

II. APPLICABILITY

This Code has been divided into two parts. *The provisions as set out in Part A of this Code shall be applicable to the Directors* and the *provisions set out in Part B shall be applicable only to the Senior Management*. In terms of the appropriate provisions of the Clause of the Listing Agreement(s) executed by the SEIL, all Directors and the Senior Management shall affirm compliance with the provisions of this Code on an annual basis.

III. VIOLATION

Although it is not intended that disciplinary action would be appropriate for every violation of the provisions of this Code, whether a disciplinary action is appropriate or not and the extent of discipline/penalty to be imposed, will be determined through reasonable application of the text and also depend on factors such as the seriousness of the violation, the intent behind any such violation, whether there has been a pattern of improper conduct and the effect of such improper conduct on employees, their morale or on the corporate governance system of the company.

A violation may result in disciplinary action up to and including termination from the association/employment of the company. Decision regarding whether or not disciplinary action is to be taken and the nature and extent thereof, shall rest with the Managing Director of the company. An appeal against any such decision shall lie before the Chairman of the company, whose decision in this regard shall be final and binding on the concerned member of the senior management. The Company

Secretary of the company shall be responsible for ensuring the compliance of the provisions of this Code.

IV. AMENDMENT TO THE CODE

The Code may be amended to meet the requirements of any relevant statute or the business interest of the company, subject to the approval of the Board of Directors of the company.

V. ANNUAL DECLARATION

As required under Clause 49 (D) (ii) of the listing agreement, every member of the Board of Directors every employee of the Senior Management Team shall sign and submit the annual declaration (as per Annexure I) before April 15 every year, affirming compliance with the provisions of this Code.

PART A

1. TO LEAD BY EXAMPLE

As every member of the Board of Directors is perceived to be the guiding force of the company, it shall be his responsibility to lead by example, which mean and include:

- a. To act according to the highest standards of personal and professional integrity, honesty and ethical conduct whilst dealing for, on behalf of and in the name of the company.
- b. To exercise powers conferred upon him for achieving business goals of the company with reasonable discretion and after weighing the consequences of such use.
- c. To respect the confidentiality of any proprietary information accessed during the course of discharge of his duties and ensure that such information is not used for personal gain.
- d. To co-operate with Government, Trade and Regulatory Authorities in the development of economic legislations governing the business of the company.

2. PRINCIPLES OF COMPLIANCE

- a. Ensure that all decisions taken are in adherence to legal/regulatory requirement(S) as applicable to the business of the company.
- b. To inform the company of any information that may be perceived to be a violation by any employee or Director of the company of any legal/regulatory requirement(s) as applicable to the business of the company.
- c. Adhere to the standards set by the company from time to tome to protect and promote the interest of shareholders and other stakeholders (including employees, customers, suppliers and creditors and the society at large).
- d. To attend all Board/Committee/General/Business Meeting of the company and seek leave of absence whenever necessary.

3. CONFLICT OF INTEREST

A conflict of interest situation would be deemed to have arisen, when an individual's interest is perceived to be inconsistent with or is in conflict with the business interest of the company. One should avoid such conflict of interest with the company. However, in case such as situation arises, he shall on becoming aware of the same, make full and true disclosure of all facts and circumstances thereof to the company.

Some of the situations wherein a conflict of interest may be deemed to have arisen are elucidated hereinafter:

a. Pecuniary benefit

Where one's conduct is likely to confer a pecuniary benefit to himself or in favour of any of his relative(s) or in favour of any company, body corporate or firm, where he or his relative is an employee, member, director or partner.

b. Related Party Transactions

Where one enters into transaction(s)/arrangement(s) (directly or indirectly through relatives) with companies, bodies corporate or firms, for personal gain, which may conflict with the business interest of the company.

c. Corporate Opportunities

Where one uses and/or exploits for personal gain, opportunities that rightly belong to the company or are discovered through the use of one's position or through the company's image, property or information.

4. SECRECY

Ensure that proprietary information and trade secrets belonging to the company, (including any information concerning pricing, products and services that are being developed, internal system, designs and such other trade secrets) are held in strict confidence and care is exercised to avoid inadvertent and inappropriate disclosure, except when such disclosure is authorized or legally mandated and is not for personal gain.

5. SECURITIES LAW

Not to indulge in Insider Trading or dealing in shares of the company in violation of the provisions of the share dealing code of the company and to strictly abide with all disclosure norms prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 1992, as may be amended, from time to time.

PART B

In addition to Part A, the provisions as set out in Part B shall be applicable and binding only on the members of the Senior Management.

1. TO LEAD BY EXAMPLE

Every member of the Senior Management plays an important role in achieving the company's business objectives, which is based on the foundation of ethics, transparency and customer centric actions. Accordingly, it shall be his responsibility to adhere to and inculcate the following practices:

- a. To induce a feeling of loyalty by working selflessly to achieve the stated business objectives of the company.
- b. To guide and motivate the staff and officers of the company.
- c. To respect the safety and health of all employees of the company and provide working conditions that is conducive to their physical health and general wellbeing.
- d. To conduct oneself in a manner so as to help preserve and protect the environment with due concern for the ecology.
- e. To record and preserve the records of all financial transactions and not create undisclosed or unrecorded accounts, funds or assets.

2. CONDUCT AT WORKPLACE

- a. Conduct oneself in a professional manner and treat others with respect, fairness and dignity.
- b. Conduct oneself in the letter and spirit of the applicable laws, rules and regulations, comply with the procedures and policies laid down by the company and encourage other officers and employees to do the same.
- c. Not to discriminate employees based on color, race, religion, caste, creed or sex. The company is committed to provide a work environment that is fair and non-discriminatory.
- d. Provide and enhance equal opportunities for men and women, to prevent, stop and redress sexual harassment at the workplace and to promote good employment practices.

e. Demand, demonstrate and promote professional behavior and encourage employees to acquire skills, knowledge and training to expand/enhance their skills and specialized knowledge.

f. Not to use or consume illegal and banned drugs (narcotics) at all times.

g. Not to have any material association with a firm, company or body corporate engaged in a line of business similar to that of the company or any of its subsidiaries, without obtaining the prior consent of the Managing Director of the company.

3. PAYMENTS OR RECEIPT OF GIFTS/FAOURS FROM OTHERS

Under no circumstances, shall any member of the Senior Management receive or offer, directly or indirectly, any gifts, donations or remuneration or illegal payments which are intended to obtain business favours. Nominal gifts during festival occasions and other occasions may be accepted/given.

4. USE OF ASSETS AND INFORMATION

a. Ensure that equipment/facilities/amenities provided to him/her by the company for discharge of his/her duties in terms of his/her employment are used with proper care and diligence and return the possession thereof upon his resignation, termination or retirement from the services of the company, as the case may be.

b. Ensure that price sensitive information of the company, which is not in public domain, is not used to derive any personal benefit or to assist other person(s) from deriving any benefit, by virtue of having access thereto.

c. Ensure that proprietary information and trade secrets belonging to the company, including any information concerning pricing, products and services that are being developed, internal system design and other such trade secrets are held in strict confidence and due care is exercised to avoid inadvertent and inappropriate disclosure. Such information shall be used in the manner as required or mandated and as a part of the duties assigned and not for personal gain.

d. ensure that all other personal and financial information relating to the customers associates and stakeholders of the company is accessed, used and disclosed in accordance with the policies, systems and controls laid down by the company, from time to time.

e. Take steps to use and protect the company's assets and ensure their efficient use. Use the assets only for the legitimate business purposes of the company or such other purposes as may be authorized by the Management.

5. TRANSPARENCY

Ensure that the conduct at workplace is transparent, subject to sensitivity of the information or nature of job assigned to him/her. Such transparency shall be brought about by adherence to corporate governance norms, policies, systems and procedures laid by the company, from time to time.