

CODE OF CONDUCT M/S. ESSJAY ERICSSON PRIVATE LIMITED

1 APPLICATION AND SCOPE:

- i) This Code shall apply to all employees of M/s. Essjay Ericson Private Limited
- ii) These code of conduct shall come into force with immediate effect and shall constitute the part of code of conduct signed by Employee at the time of joining.

a) THE COMPANY'S RIGHTS:

The Company's rights relating to matters arising out of Agreement of Employment between Employee and Company shall not be affected or prejudiced by the terms of these codes.

b) THE EMPLOYEE'S RIGHTS:

These codes shall not deprive the employee of their right to resort to legal proceedings under any existing law for the time being in force.

c) AMENDMENTS:

The Company may from time to time, amend these codes in accordance with the provisions of the applicable labour laws implemented by State or Centre Govt.

2. DEFINITIONS:

In this code of conduct, unless there is anything repugnant to the subject or context:

- a) "**COMPANY**" means the Essjay Ericsson Private Limited (which include its subsidiaries, sister concern), having its registered office at 210 Functional Industrial Estate, Patparganj, Delhi-110092, includes Back Office, Administrative Offices, Corporate Offices and Branches of the Company wherever they are located, and the Customer sites where employee is deputed to work.
- b) "**MANAGEMENT**" means Managing Director, and/or Executive Director and/or President, and/or Vice-President and/or General Manager of the Company or any other person authorized to act on his or on their behalf or on behalf of the company from time to time.

- c) **"MUSTER ROLL"** includes the attendance register or Muster Roll or Muster Rolls normally maintained at the time office or any other place specified by the Management for the purposes of recording the attendance of the employees before the commencement of work.
- d) **"ATTENDANCE "** means presence of the employee concerned at the place or places where he is required to report for getting his attendance and continuance of his presence at the place of his work throughout the period of the shift or office work.
- e) **"EMPLOYEE"** Employee means and shall include permanent and probationer employee of the Company who has been appointed under the Service Agreement.
- f) **"WORK PREMISES"** means the Company premises or any site of Customers, its Administrative Office premises and percent's thereof or any other place of work where an Employee is deputed to work.
- g) **"HABITUAL"** means involving repetition of any of commission or omission for more than 3 times in a period of 12 calendar months.
- h) **"MASCULINE"** shall include "Feminine" unless otherwise stated and the "Singular" shall include the "Plural", wherever the context so requires and vice versa.
- i) **"NOTICE"** shall means a notice in writing required to be given or posted or displayed for the purposes of this Code of conducts.

3. CLASSIFICATION OF EMPLOYEES:

- a) Regular/Permanent b) Probationer
- a) **REGULAR/PERMANENT:** A Regular/Permanent employee is one who is appointed as such by a written order of the management who has been engaged on a permanent basis and includes any person who has satisfactorily completed a probationary period or extended period of probation.
- b) **PROBATIONER :** means employee who is provisionally employed to work in a permanent vacancy and who has not completed satisfactory service of probation including absence due to sickness, accident, leave, lock-out, strike (not being an illegal strike) or involuntary closure of establishments, provided, in any particular case, the management may extend the period of the probation of any employee upto a further period not

exceeding 12 months if they are not satisfied with the work and or conduct of any Employee during the period of probation. In any case where the period of probation is extended, the concerned Employee shall be informed in writing at least one week before the normal date of the completion of probation and in the absence of any intimation, the employee shall be deemed to have satisfactorily completed the probation on the normal date.

If a permanent employee is employed as probationer (in a higher post) or a vacancy he may at any time during the probationary period be reverted to his substantive post without notice.

During the period of probation aforesaid the employee's suitability to work and performance at his job shall be remainder with him by the superior at least once before he is confirmed or discharged.

4. IDENTITY CARD:

- a) Every employee shall be given Identity Card bearing his photograph, name, employee Code, and any other particulars deemed necessary by the company.
- b) Every employee shall always wear on his person during the working hours of the Company and shall show his Identity Card when asked by the security or any other authorized person to produce it while the employee is inside the work premises.
- c) The Identity Card shall not be transferable nor assignable.
- d) In case any employee loses his Identity Card he must immediately report in writing to the Issuing Authority for issue of new card, cost of new identity card shall be bear by the employee.

5 ENTRY, EXIST:

- a) All employees shall enter and leave work premises only by the prescribed passage provided for the purposes by the Company. The employee must not leave the premises without prior permission in writing from appropriate authority.
- b) Any employee who has been granted leave, laid off, suspended, discharged, resigned or is not working for any other reasons, shall leave the work premises immediately. In case the employee does not leave the work premises in the aforesaid events, the company shall be

at liberty to take appropriate steps for his removal from the work premises and shall take such action as presented under the these code of conducts.

- c) The Company has the right to remove from those searched, any articles belonging to the company or such other articles as the company may consider would endanger the personnel or property of the company and seize the articles found with him as deemed to be the property of the company. He shall also be liable to disciplinary action in terms of these codes of conducts.

6. PUBLICATION OF WORKING HOURS:

The period and hours of work for all employees mentioned in joining kit provided at the time of joining, employee shall observe such periods and hours compulsorily and also refer the policies at <http://essjayericsson.com/emp/login.asp>.

7. PUBLICATION OF HOLIDAYS/ NATIONAL AND FESTIVAL HOLIDAYS:

Notices specifying the weekly holidays and such other days observed and declared by the Company from time to time as Holidays shall be displayed at <http://essjayericsson.com/emp/login.asp>.

8. ATTENDANCE AND LATE COMING :

- a) All employees shall be at the work spot at the time fixed and notified under joining and posted at http://essjayericsson.com/emp/hr_policy.asp in HR Policy Section register attendance in the manner prescribed.
- b) Employees shall be allowed 5 (five) minutes grace time at the start of the shift only thrice a month. But no grace time shall be allowed during mid-shift break. If an employee is late for more than three times in a month, it will be treated as half-day absent on the part of the said Employee and wages shall be deducted for such absence accordingly.
- c) No employees shall be allowed to leave the work spot during working hours without proper permission from the appropriate authority.
- d) Any employee who, after getting his attendance registered in the manner prescribed, is found sleeping or absent from his proper place or places of work during working hours without permission shall be treated as absent from the place of his work. He will be liable for disciplinary action as presented under these codes of conducts.

- e) No employee shall leave site or equipment without being relieved by the reliever. In case his reliever does not turn-up, the Employee shall obtain permission from the in charge, before leaving the place of work. In case he is directed to stay and continue to work, he shall comply with the instruction so given and failure to continue work shall be treated as misconduct under these codes of conducts.
- f) Employees in emergency may be called at any time even outside their duty hours for attending any of their jobs, refusal will amount to willful insubordination and disobedience as mentioned in these code of conducts.

9. TERMINATION OF EMPLOYMENT:

- a) Services of permanent employees may be terminated by either party giving to the other three month notice in writing or paying three month wages in lieu of such notice, as required, under the rules of the Company and mentioned in Employment Agreement signed employer and employee.
- b) If any departmental proceedings are pending against the employee, he cannot resign, transfer from the service, giving notice as required in case the management desired to continue the proceedings against him.
- c) If an employee leaves before the expiry of the period of notice of termination by the Company, he will be paid only for the period he actually worked. If an Employee does not report for work after giving notice of his intention to resign, or reports for duty for a few days and stays-away without serving the full notice period, he will be treated as an employee leaving without notice, and an amount equivalent to his salary or wages for the requisite period of notice shall be recovered. If an employee gives notice of his intention to resign, the management may accept resignation and relieve him at once or any time before the date of expiry of the notice period, in which case he will be paid only for period he actually works.

10. EXTENSION OF LEAVE:

If an employee after proceeding on leave, desires an extension thereof, he shall apply to the manager in advance and the managers reply sanctioning or rejecting such request shall be communicate to the employee to reaching him before the expiry of the sanctioned leave.

11. LOSS OF LIEN ON THE APPOINTMENT:

If an employee absents himself without leave for 10 days or continuously absents himself beyond the period of any kind of leave originally granted or subsequently extended he shall loose his lien on his job unless he returns within 10 days from the date on which he remained absent or within 10 days of the expiry of extended leave as the case may be and explains in writing to the satisfaction of the manager, his inability to return before the expiry of his leave of his absence without leave. Continuous absence for 10 days shall be liable to be discharged after giving an opportunity of hearing in terms of clause “Abandonment” of Appointment letter

12. TRANSFER:

- a) The company shall have the right to transfer any employee at any time from one job to another of a similar or equivalent nature of department or section or to any place where the company has got its similar nature of work or any other branch or office as the case may be. Without reducing his emoluments and without effecting his seniority. In case of refusal of such employee shall be considered as absent from the duty for the period of such refusal and also corresponding deduction shall be made from his wages. Notwithstanding employees may be liable to disciplinary action.
- b) If an employee is transferred from one department to another, and allotted another work, he shall carry out that job and abide by the timing of the work in the changed department

13. RETIREMENT :

The company reserves the right to retire from the service any employee who has attained the age of 58 years or has completed 35 years of full time service in the company whichever is earlier. Provided that the management may in the discretion extend the period of service of any Employee on reaching the age of superannuating as the case may be for such longer period as may be considered necessary. If any employee is found for any reasons physically, or mentally in capable of carrying out the duties, on being so certified by the medical officer of the company to that effect, may be terminated from service by giving due notice or wages in lieu of notice and such other compensation as or admissible under the law. For this purpose every employee at the time of his recruitment shall furnish proof of age to the satisfaction of the management. Every employee may if he so choose, rectifies the age, within a period of two years giving valid reasons for such

changes. After the period of two years the request of the employee to rectify his date of birth or age will not be considered.

In determining the date of retirement, extract from the Birth Register or a School Certificate or age admitted in LIC Policy will be admitted as proof of his age. In the absence of either of this proof the age as determined by a Medical Officer authorized by the Company shall conclusive evidence as to the age of Employee.

14. ACTS OF MISCONDUCT:

14.1 Without prejudice to the general meaning, the term misconduct shall be deemed to mean and include the following:

- a) Willful in-subordination or disobedience whether alone or in combination with another or others of any lawful or reasonable order of a superior.
- b) Striking work or inciting employees to go on strike in contravention of any agreement of rule having the force of law.
- c) Loitering, idling during duty hours and neglecting duty of work including malingering, sleeping while on duty or remaining in the company's premises after his normal or extra duty hours in that permission.
- d) Irregular in duty and/or habitual late attendance or absence from appointed place of work during working hours without permission. Failure to carryout works in accordance with general or specific instructions given by the superior or officers of the company directly or though delegated authority.
- e) Willfully causing damage or breakage or loss to the company's properties or work-in process including sabotage or abetment or instigation thereof or irresponsible action resulting in damage to any goods or properties in the Company premises.
- f) Theft, fraud, or dishonesty in connection with Company's business or property or another employee's property or customer's property in the Company premises or Customer Sites.
- g) Habitual absence without leave or absence without leave for more than three consecutive occasions or over-staying sanctioned leave without sufficient grounds

or proper or satisfactory explanation including absence from the employee's appointed place or work without obtaining permission.

- h) Disclosure, or communication to any unauthorised person, information or documents relating to the company's business or security measures or any trade secrets in regard to any work or process used in the Company which may come into the possession of the Employee or using commercializing any invention, discovery or patent invented, discovered or patented in the course of employee's employment under the company to the benefit of himself or any other person.
- i) Participation or incitement to other to take part in activities detrimental to company's interest.
- j) Taking, giving, offering or demanding bribes or any illegal gratification whatsoever.
- k) Deceptive or corrupt practices in connection with the work of the company.
- l) Drunkenness or intoxication while on duty, fighting, riotous or disorderly behavior or indecent behavior including manhandling, beating, abusing, threatening or intimidating anyone within the premises of the Company, or any act subversive of discipline.
- m) Distribution or exhibiting inside the works premises, hand bills, pamphlets, or posters and collection of any money, except as permitted by any law, for the time being in force, or doing any propaganda work including canvassing for Union Membership or collection of Union dues or taking out any procession in the premises of the Company without the previous permission of the management.
- n) Smoking in the works premises, except in the places where smoking is prohibited.
- o) Wrongfully confirming any co-employee or any staff member or officer whether such act as called charge or not, and obstructing the work of co-employee, staff members or officers.
- p) Refusal to receive any order letter, charge sheet or instructions issued by his superior or the management or refusal to produce the identity card while in the Company premises when demanded by any person authorized by the management for the purpose.

- q) Leaving the site, work place without being relieved by the reliever or till his substitute is arranged or handling any machine/equipment/site not entrusted to his charge.
- r) Falsifying or refusing to give testimony when accident or other matters including domestic enquiry are being investigated.
- s) Engaging in private work or trade including money lending within the Company premises or Customer sites or engaging in other employment calling for profit while still under the services of the company without the written permission of the management.
- t) Making false statement in the application for an appointment including non-disclosure of disease or diseases suffered or suffering and giving false information regarding one's age, father's name, permanent address, qualification or previous experience at the time of employment or thereafter.
- u) Proved inefficiency and services defect in Employeeship.
- v) Repetition of any act or omission for which fine may be imposed under the Payment of Wages Act or any other Act applicable to the establishment.
- w) Committing nuisance at the work premises.
- x) Over-staying or entering at the work premises while not being on duty, without reasonable cause and written permission or entry and or exit through the gates other than the one prescribed by the management.
- y) Acts of misconduct.
- z) Carrying unauthorized arms or lethal weapons in the factory premises or conduct within the Company premises or Customer Sites which is likely to endanger the life or safety of any person or property of the Company.
 - aa) Conviction in any court of law for any criminal offence involving moral turpitude.
 - bb) Participation or instigations to any illegal strike.
 - cc) Participation in or instigation to an illegal strike or a sit down or stay-in-strike for refusal to work.

- dd) Slowing down in performance of work or inciting others to resort to deliberate "go slow" policy.
- ee) Organizing attending or holding meetings inside the premises of the company without the previous permission of the Management or except in accordance with the provisions of any law for the time being in force.
- ff) Gambling within the premises of the Company.
- gg) Picketing and/or violent demonstrations or any other demonstrations except representations with the Company premises.
- hh) Impersonation.
- ii) Spreading false rumors or giving false information which may bring into dis-repute to the Company Employee or spreading panic amongst the Employee.
- jj) Collection of any money within the premises for purposes not sanctioned by the management.
- kk) Unauthorized use or forcible occupation of company premise, land or other properties belonging to the Company.
- ll) Refusal on the part of the Employee to work on another job or on another site or similar site, other than job or site, region on which he is usually employed,
- mm) Willful discourtesy to all persons connected with the affairs of the Company.
- nn) Failure to wear safety clothing and other equipment etc., while on duty.
- oo) Deliberate abuse of any leave privileges or concessions or benefits for the time being in-force.
- pp) Failure to observe safety instructions and indulging in acts which endanger the lives and safety to self or others or properties of the Company.
- qq) Refusal to take transfer order or refusal to accept transfer from one shift to another or from one section to another or one region or site within the same management.
- rr) Not taking reasonable precautions to safeguard Company's properties and to prevent accident or damage to it.

- ss) Failure to report at once to his superior or manager regarding any defect which an Employee may notice in any equipment connected into his work or material in process.
- tt) Interfering with the record of attendance or means of recording attendance of himself any other Employee or willful falsification defacement or destruction of records of the Company.
- uu) Refusal to accept a charge sheet or order or other communication served in connection with the conditions of service in the interest of discipline.
- vv) Making false statement before a superior or forging the signature of the superior or controller in any record or register of the Factory/Company.
- vvv) Misuse of official powers and responsibilities.
- ww) Willful damage or sabotage to the machines, tools, equipment or material in the process belonging to the Company. Quarrelling or abusing or assaulting or threatening to assault any Co Employee or superior .Instigate, incite or abetment or commitment of any act in furtherance of the above acts of misconduct.

15 PUNISHMENT FOR MISCONDUCT.

Employee found guilty of any of the misconducts mentioned in code of conducts is liable for punishment amounting to dismissal or discharge or suspension or removal. However, the management may at its discretion award one of the lesser punishments as mentioned below:

- a) Warning or
- b) Censure or
- c) Fine, consistent with the provisions of the Payment of Wages Act or any other Act applicable to the establishment. or
- d) Stoppage for a specific period not exceeding three years on increment either cumulative or without cumulative, if due under graded scale of pay whenever applicable; or
- e) Suspension for a period not exceeding one month without wages.

- f) Reversion to the next lower grade.

16 PROCEDURE FOR INQUIRY

- 16.1 If any report or complaint, verbal or written, received by the Manager discloses on the face of it that the accusation made against an Employee, constitute one or more acts or misconduct and entail disciplinary action the Manager shall order to hold an enquiry against the Employee or Employees.
- 16.2 No order of punishment for misconduct shall be made except after holding an enquiry against Eligible Employee concerned in respect of the alleged misconduct in the manner set-forth below. However, no enquiry shall be necessary to administer a warning or fine or in case where the concerned Employee had admitted the charges, leveled against him.
- 16.3
 - (i) An employee against whom an enquiry has to be held shall be given a charge sheet clearly setting forth the circumstances appearing against him and requiring explanation.
 - (ii) The employee shall be given time not less than three days to file a written statement to the charge.
 - (iii) While conducting an enquiry the following procedure shall be followed-
 - (a) Employee shall be given notice of the date and time and venue of the enquiry.
 - (b) The oral statement of the employee if any at the time of enquiry shall be reduced in writing.
 - (c) The witnesses to prove the acts of omissions and commissions shall be examined in the presence of the employee and the employee shall be given an opportunity to cross examine the witness in the ordinary course. An employee shall be entitled to avail the assistance of co-employee to defend him in such enquiry.
 - (d) The employee shall be given opportunity to defend himself and to examine witnesses, if any, on his behalf.
 - (e) The proceedings of the enquiry shall be recorded in English.

- (f) The proceedings of the enquiry shall be completed within a period of 45 days provided that the period of 45 days may, for reasons to be recorded in writing be extended by such further period as may be deemed necessary, by the Enquiry Officer.
- (g) The report of the Enquiry Officer shall be furnished to the employees.
- (h) In awarding punishment, the punishing authority shall take into account the gravity of the acts of omission and commissions, the previous record if any, of the employee and or any other extending or aggravating circumstances that may exist.
- (i) A copy of the final orders in a disciplinary case shall be supplied to the Employee.
- (j) In case of his absence and/or refusal the order shall be sent to the Employee by "Registered Post with acknowledgement due" to his last known address and in the case it shall be effective on the third day of posting.

17 SUSPENSION:

Where a disciplinary proceeding against an employee is contemplated or is pending or where criminal proceedings against him in respect of any offence are under investigation or trail and the employer is satisfied that it is necessary or desirable to place the employee under suspension pending enquiry he may, by order in writing suspend him. Pending enquiry, trial, investigation, final decision with effect from such date as maybe specified in the order. A statement setting out in detail the reasons for such suspension shall be sent to the employee within a week from the date of suspension.

18 SUBSISTENCE ALLOWANCE:

An employee who is placed under suspension pending enquiry shall, during the period of such suspension, be paid a subsistence allowance at the following rates namely:-

- (i) Where the enquiry contemplated or pending is departmental, the subsistence allowance shall, for the first ninety days from the date of suspension be equal to 50% of pay, dearness allowances and other compensatory allowances, to which the employee would have been entitled if he was on duty.
- (ii) If the departmental enquiry gets prolonged and the employee continues to be under suspension for a period exceeding ninety days, the subsistence allowance shall for

such period be equal to three fourths of such basic, wages, dearness allowance and other compensatory allowance provided that where such enquiry is prolonged beyond a period of ninety days for reasons directly attributable to the employee, the subsistence allowance shall, for the period not exceeding ninety days, be reduced to one fourth of such basic wages, dearness allowances and other compensatory allowances.

- (iii) Where the enquiry is by an outside agency or the case may be, where criminal proceedings against the employee are under investigation or trial the subsistence allowance shall for the first one hundred and eighty days from the date of suspension be equal to one half of his basic wages, dearness allowance and other compensatory allowances to which the Employee would have been entitled to if he were on leave. If such enquiry or criminal proceedings gets prolonged and the employee continued to be under suspension for period exceeding one hundred and eighty days, the subsistence allowance shall be for such period be against three-fourths of such wages; provided that where such enquiry or criminal proceedings is prolonged beyond a period of one hundred eighty days for reasons directly attributable to the employee, the subsistence allowance shall, for the period exceeding one hundred and eighty days, be reduced to one fourth of such wages.
- (iv) If on the conclusion of the enquiry or, as the case may be of the criminal proceedings, the employee has been found guilty or the charges framed against him and it is considered, after giving the employee concerned a reasonable opportunity of making representation on the penalty proposed, that an order of dismissal/discharge or suspension or fine or stoppage of annual increment or reduction in rank would meet the ends of justice the employer shall pass an order accordingly:
 - (a) Provided that when an order of dismissal is passed under this clause, the employee shall be deemed to have been absent from duty during the period of suspension and shall not be entitled to any remuneration for such period, and the subsistence allowance already paid to him shall not be recovered:
 - (b) Provided further that where the period between the date on which the employee was suspended from duty pending the enquiry or investigation or trial and the date on which an order of suspension was passed under this

clause exceeds fifteen days, the employee shall be deemed to have been suspended only for fifteen days or for such shorter period as is specified in the said order of suspension and for the remaining period he shall be entitled to the same wages as he would have received if he had not been placed under suspension, after deducting the subsistence allowance paid to him for such period.

- (c) Provided also that where an order imposing fine or stoppage of annual increment or reduction in rank is passed under this clause, the employee shall be deemed to have been on duty during the period of suspension and shall be entitled in the same wages as he would have received if he had not been placed under suspension, after deducting the subsistence allowance paid to him for such period.
- (iii) If on the conclusion of the enquiry, or as the case may be, of the criminal proceedings, the employee has been found to be not guilty of any of the charges framed against him, he shall be deemed to have been on duty during the period of suspension and shall be entitled to the same wages as he would have received if he had not been placed under suspension after deducting the subsistence allowance paid to him for such period.
- (iv) The payment of subsistence allowance under this standing order shall be subject to the employee concerned not taking up any employment during the period of suspension and furnishing certificate to that effect.
- (v) The authority suspending the employee may direct the person to be present at the appointed time and mark his attendance in the manner as directed.
- (vi) When an order of dismissal has been passed and requires to be approved before it is implemented under the Industrial Disputes Act, the employee shall be eligible to draw 50% of his basic pay and dearness allowance and other compensatory allowance as subsistence allowance for the period under which he is kept under suspension automatically pending approval by the authority under the Industrial Disputes Act and when the punishment confirmed no recovery shall be made or if the punishment is revised he shall be paid full wages deducting the subsistence allowances already paid, if any, payment of subsistence allowance is subject to the individual not gainfully employed during the period for which he is paid subsistence allowance on his furnishing to that effect before drawing the allowance.

19 SPECIAL PROCEDURE:

If an employee has been convicted by the court of law for an offence involving moral turpitude, the employer may issue an order of dismissal or suspension or fine or stoppage of annual increment or reduction in rank after giving the employee concerned a reasonable opportunity of making a representation on the penalty proposed.

20. MEANS OF REDRESS FOR EMPLOYEES AGAINST UNFAIR TREATMENT OR THE WRONGFUL EXPLANATIONS BY THE EMPLOYER OR ITS AGENTS OR SERVANTS:

All complaints arising out of his employment including those relating to unfair treatment or wrongful extractions on the part of Company or any of its agents or servants shall be submitted (except in the case of grievances relating to leave) by the employees to the Manager or such officers as he may appoint, the Manager, or such officer or officers shall personally investigate the complaint of the employee, and the action, if any taken shall be intimated to the Complaint.

21. SERVICE CERTIFICATE & NO DUES CERTIFICATE:

Every employee shall, on request be entitled to such service certificate on leaving the Company's service subject to completion of exit formalities as per offer of appointment.

22. PASTING OF CODE OF CONDUCTS AT COMPANY WEBSITE :

A copy of code of conducts in English shall be posted at <http://essjayericsson.com/emp/login.asp>.