



**GLAXOSMITHKLINE CONSUMER HEALTHCARE LIMITED**

**CODE OF CONDUCT  
FOR  
DIRECTORS  
AND  
SENIOR MANAGEMENT**

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## **1. INTRODUCTION**

This Code of Conduct has been adopted to ensure compliance with the applicable provisions of the Listing Agreement executed by GlaxoSmithKline Consumer Healthcare Limited ('GSKCH' or 'the Company') with the Stock Exchanges where the shares of the Company are listed.

It is vital to the success of the Company that business of the Company is conducted with honesty and integrity and in compliance with all applicable legal and regulatory requirements. This Code of Conduct sets out the fundamental standards to be followed by the Directors and Senior Management members in their everyday actions on behalf of the Company and seeks to promote honest and ethical conduct.

Inevitably, it cannot be a comprehensive guide. It is only intended as a summary. If a Director or a Senior Management member is in any doubt or has further questions he should seek advice from the Company Secretary/ Compliance Officer, whose contact details are given at the end of this Code.

## **2. APPLICABILITY**

This Code applies to the Directors of the Company, both Executive and Non Executive and the members of Senior Management.

Senior Management for the purpose of this Code shall mean personnel of the company who are members of the management team and Company Secretary, Head of a Function/ Site and Regional Manages.

## **3. CODE**

The Directors and Senior Management members in general must:

- 3.1 Conduct the Company's business with honesty and integrity and in a professional manner that protects the Company's good public image and reputation.
- 3.2 Become familiar with and comply with Laws, rules and regulations as well as Company policies and procedures that govern the conduct of the Company.
- 3.3 Avoid any activities that could involve or lead to involvement in any unlawful or illegal practice or any harm to the Company's reputation or image.
- 3.4 Avoid actual or potential conflicts of interests with the Company, or the appearance thereof, in all transactions.
- 3.5 Provide accurate and reliable information in records submitted, safeguard the Company's confidential information, and respect the confidential information of other parties with whom the Company does business or competes.
- 3.6 Promptly report to the Company any violations of law or ethical principles or Company policies that come to his attention, and cooperate fully in any audit, enquiry, review or investigation by the Company.

## **4. DUTIES**

### **4.1 Fiduciary duty**

Directors and the Senior Management members should be a role-model for these standards by visibly demonstrating support and by regularly encouraging adherence by managers. Every Director and Senior Management member must act in good faith in his dealings with or on behalf of the Company and exercise the powers and fulfil the duties of his office honestly. His fiduciary duty has following aspects:

- 4.1.1 **A duty to act in good faith** – Every Director and Senior Management member has a duty to act in good faith in what he considers to be in the best interest of the Company, which would be the interest of all shareholders and other stakeholders, present and future.
- 4.1.2 **To exercise powers for a proper purpose** – Every Director and Senior Management member must exercise his powers in the Company's interests and only for the purpose or purposes for which they are given, even if he believes that to do otherwise would be in the best interests of the Company.
- 4.1.3 **Conflict of interest** – A Director or a Senior Management member must not put himself in a position where there is an actual or potential conflict between his duty to the Company and his personal interests. A declaration to this effect will be required to be signed off.
- 4.1.4 **Use of Company Property** – Every Director and Senior Management member is regarded as a trustee of the Company's property (which will include information belonging to and about the Company and opportunities of which the Company might take advantage). Accordingly, he will be answerable if he knowingly participates in a misapplication of Company property or knows or ought to have known of the misapplication. Any profit arising in such circumstances must be accounted for to the Company by the Directors and the Senior Management members.
- 4.1.5 **Gift Policy** – The Company has an approved Gift Policy and the Directors and Senior Management members should adhere to and follow the policy in its true spirit with respect to the giving and accepting of gifts.

### **4.2 Duty of skill and care**

The fiduciary duty imposes on each Director and Senior Management member an obligation to do nothing which conflicts with the Company's interest. When a Director or Senior Management member is acting in the Company's interest, he is expected to exercise whatever skill he possesses with reasonable care. This duty has following aspects:

- 4.2.1 **Degree of skill** – A Director or Senior Management member is expected to display the general knowledge, skill and experience that he actually has and which might reasonably be expected of someone carrying out his function within that company.
- 4.2.2 **Attention to the business** – Each Director and Senior Management member must attend diligently to the affairs of the Company. The degree of diligence required is

higher for Senior Management members and the executive Directors than non-executive Directors.

#### **4.3 Breach of duties**

Any breach of these duties by a Director or Senior Management member enables the Company to take action against him and sue him for its loss. Failure by any Director or Senior Management member to comply with this Code will subject him to disciplinary action up to and including separation from employment with the Company.

### **5. RESTRICTIONS ON DEALING IN COMPANY' SHARES**

The Listing Agreement and the Securities and Exchange Board of India (Insider Trading) Regulations requires the Company to impose upon all persons connected or deemed to be connected (Directors, officers and employees of the Company etc.) with GSKCH, a code for dealing in the securities of the Company. The Company has an approved Policy for Prevention of Insider Trading in Securities.

Prior to buying or selling any GSKCH Securities, the Directors and Senior Management members must, in accordance with the Company's Code for Prevention of Insider Trading in Securities, obtain written consent to deal through the Company Secretary's office.

### **6. CONFIDENTIAL INFORMATION**

The Directors and Senior Management members of the Company must observe strict confidentiality of the information received by them during performance of their duties.

Any business information pertaining to the Company which is not generally known including but not limited to financial results, business strategies, proposed shareholders benefits, details privy to them being part of various Committees of the Company etc. and which needs to be maintained in a confidential manner in the best interest of the Company is regarded as Confidential information for this purpose.

The overriding duty of good faith also finds expression in the rule that a Director or Senior Management member shall not disclose the Company's secrets or confidential information which comes into his possession.

### **7. INDEMNITY**

The Directors and Senior Management members will be indemnified against any liability incurred by them in defending any civil or criminal proceedings in which judgement is given in their favour or in which they are acquitted. Indemnification is also permitted where the court grants relief because the Director or the Senior Management member, as the case may be, acted honestly and reasonably and ought fairly to be excused.

### **8. PROCEDURE FOR TAKING OUTSIDE ADVICE**

The Board recognises that there may be occasions when one or more of the Directors or the Senior Management members feel it is necessary to take independent legal and/or financial advice in respect of matters within the Company upon which they are being asked to express an opinion or about which they have some concern (not being day to day

operational matters). The Company will reimburse the costs of obtaining such advice, provided the prior consent of the Chairman of the Board is first obtained. This consent is not required to be taken by the Chairman of the Audit Committee.

Notice should be given by the Director or the Senior Management member concerned to the Company Secretary that such advice is to be sought. The Company Secretary will communicate any such notification to the Chairman.

In most cases, it would be anticipated that the advice being sought would be legal advice and only in the rarest of cases would independent financial advice be necessary. This is on the basis that any financial advice being given to the Company and its Directors or Senior Management member would normally be given to all the Directors or Senior Management member, whereas there might be occasions when a Director or Senior Management member might feel that he/she needs to take independent legal advice so as not to expose him/her to any liability.

## **9. NOTIFICATION AND REQUESTS FOR FURTHER INFORMATION**

Notification under any of the requirements listed above and requests for further information should be sent at the following address to the Company Secretary:

Surinder Kumar  
GlaxoSmithKline Consumer Healthcare Limited  
DLF Plaza Tower, DLF City Phase - I, Gurgaon (Haryana) 122 002

Tel. : +91 (0124) 5097202  
Fax : +91 (0124) 2540734  
E-mail : [surinder.s.kumar@gsk.com](mailto:surinder.s.kumar@gsk.com)

## **10. INTERPRETATION AND AMENDMENT TO THE CODE**

Any question on interpretation of any clause in this Code or an amendment to any provision of this Code shall be handled only by the Board of Directors.

## **11. ANNUAL DISCLOSURE**

All Directors and Senior Management members shall issue an annual declaration confirming compliance with this Code. The Annual Report of the Company shall carry a certificate to this effect duly signed by the Managing Director of the Company.

Adopted by the Board of Directors of  
GlaxoSmithKline Consumer Healthcare Limited  
at its meeting held on 21 October, 2005.