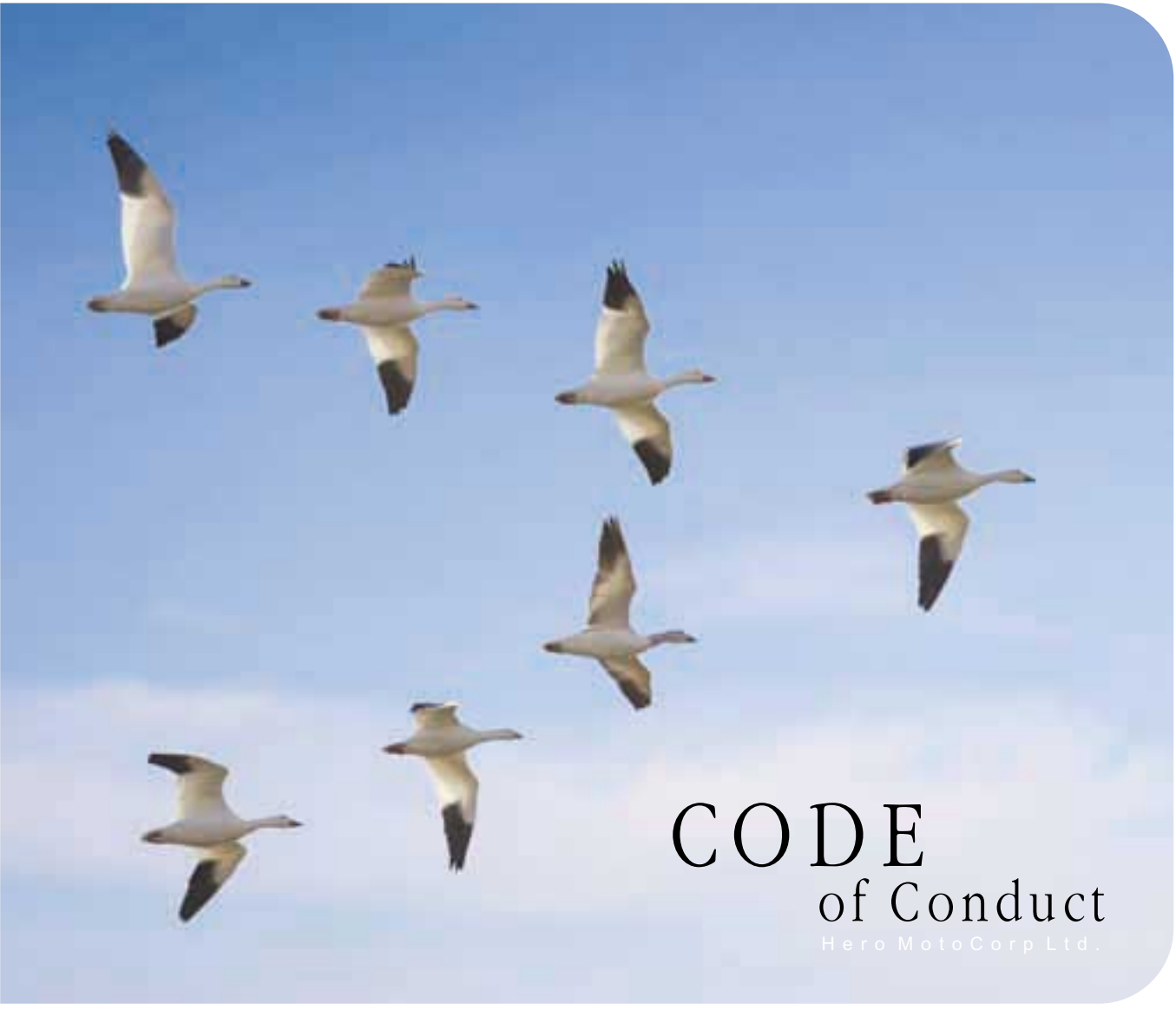

CODE of Conduct

Hero MotoCorp Ltd.

CODE of Conduct

Dear Colleagues,

In our pursuit of making Hero MotoCorp Ltd. (HMCL) one of the world's most respected companies, we have set high standards for our individual behavior and the management of our business. This Code of Conduct document outlines the values behind these standards of conduct. Each of us must read and understand this document, and incorporate it in day-to-day behavior.

Not only are we committed to providing excellent products to our customers, which we have consistently done and won the trust of tens of millions of them, but also to delivering value to our shareholders and all stakeholders, including employees.

Hero MotoCorp's mission is to become a global enterprise fulfilling its customers' needs and aspirations for mobility, setting benchmarks in technology, styling and quality so that it converts its customers into its brand advocates. The

Company will provide an engaging environment for its people to perform to their true potential. It will continue its focus on value creation and enduring relationships with its partners. This mission represents a clear direction and sets expectations of behaviour we ask of every HMCL employee

In our company we have always espoused that performance and values are two sides of the same coin. The principles outlined in the Code of Conduct, will guide us in building a culture that is synonymous with our values. Our values are Integrity, Humility, Respect, Excellence and Speed. These values should be embedded deep within our being such that they may manifest themselves in all our actions. In today's dynamic environment, when new challenges confront us perennially, our values become indispensible beacons, guiding us to progress and success. We have always lived by these values and we truly believe that our successes are a result of our steadfast convictions.

As an employee of Hero MotoCorp Ltd., you are obliged to comply with the principles prescribed by the Company's Code of Conduct. This will aid in ensuring that our Company, our products and our services maintain their respect and superior market position.

Together, we can achieve our goal to make HMCL one of the world's most respected companies. We are sure that with your commitment, we shall get there.

Brijmohan Lall Munjal
Chairman

Pawan Munjal
MD & CEO

Dated: 1st November 2010
New Delhi

1. INTRODUCTION

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This Code of Conduct (the "Code") for all "Employees" will enable HMCL to maintain the standards of business conduct, thereby bringing efficiency, responsiveness and consistency in an employee's behavior and decision making. It will also reduce risk by decreasing the possibility of harmful conduct.

The Code outlines the values that become the basis of this standard. It is based on the eight principles that have been identified through research, as being fundamental to all codes. Each of us should read and understand the Code, and incorporate it in day-to-day behavior.

This Code is designed to enable you to recognize situations that may require you to consider your approach; ask for guidance; and make the right decision, for the Company, for all stakeholders and for yourself.

The Code is not applicable to the Directors and Senior Management of the Company (the applicable code for them can be found at:

http://www.heromotocorp.com/aboutus/codeofconduct

The eight principles SN 3 to 10 are taken from GBS Codex, copyright HBSP, Approval #614127

2. RAISING ETHICAL ISSUES

Compliance with the highest ethical standards is a critical element of your responsibilities. HMCL strongly encourages you to raise concerns regarding any violation of the code and to report these immediately. Early identification and resolution of these issues are critical to maintaining HMCL's commitment to be one of the world's most respected companies.

The Code attempts to provide an overview of some of the key policies of which you need to be aware. However, HMCL cannot anticipate every issue you may encounter. Situations in the workplace may arise where the proper course of action may not be clear. In these situations, you should use your judgment and common sense; if something seems unethical or improper to you, it may very well be. If you have any questions regarding the best course of action in a particular situation, or if you reasonably suspect or become aware of a possible violation of a law, regulation or HMCL Code of Conduct, you should promptly contact any of the following (preferably in the order specified here):

1. Vice President – HRM
2. Chief Financial Officer
3. Head of Legal Services

If you are uncomfortable about raising your concerns in-person, you can drop a complaint at any of the drop-boxes or the e-mail id designated (ethics@heromotocorp.com) for the same purpose. The Company will ensure that no retaliation will take place against any employee who makes a report in good faith about a possible violation of the Company's Code of Conduct.

Following the right path always leads
to well deserved rewards.

3. FIDUCIARY PRINCIPLE

3.1 Duty to the Company requires its Employees, to avoid and disclose actual and apparent conflicts of interest. Conflicts of interests exist where the interests or benefits of one person or entity conflict with the interests or benefits of the Company.

An employee of the Company shall not, without the prior approval of the Managing Director of the Company, maintain parallel employment or any other position of responsibility with any other company while working for HMCL, as the same may have effect on the performance of the Employee during the working hours of the Company. During the working hours the personal interest of an employee should not have any conflict with his or her professional interest.

3.2 All Employees shall ensure that in their dealings with suppliers and customers, the Company's interests are never compromised.

3.3 A Company Employee or someone from their immediate family should not receive gifts, perks, services, entertainment, or other items of more than token or nominal monetary value from the Company's suppliers or customers. Moreover, such gifts are permitted only if they are not made or received on a regular or frequent basis.

In certain cases,

1. Refusing a gift from someone with whom we do business may damage our business relationship with that person, or

2. A gift has been sent through courier service, and cannot be returned.

In such cases, the Employee should consult with the Functional Head / HR Department, about how gifts should be treated. If the gift's value makes it appear that the donor is attempting to influence you, but it must be accepted in order to preserve the business relationship, it may be possible to accept it as Company property. For example, food items could be placed in a central location for everyone to share, or a clock or painting could be displayed within the Company facility for all to view.

3.4 The Employees should also refrain from pursuing opportunities, which are of the nature of personal benefit, discovered through position or company resources. These should be used for fulfilling company purposes only.

3.5 The Company's securities are listed on the stock exchanges of the country and the company is committed with securities laws as part of listing agreement. The Employees shall not indulge in trading in company's securities on the basis of unpublished information. All unfair practices in the securities market, including insider trading, are prohibited.

3.6 An Employee will not do business on behalf of HMCL with a member of his/her household or a close relative, unless the transaction is disclosed, in writing and has approval from the Senior Management.

3.7 Employees should avoid investing in or acquiring a financial interest for their own accounts in any business organization that has a contractual relationship with the Company, or that provides goods or services, or both to the Company, if such investment or interest could influence or create the impression of influencing their decisions in the performance of their duties on behalf of the Company.

4. PROPERTY PRINCIPLE

4.1 No Employee shall misuse Company facilities. During the use of Company facilities, care shall be exercised to ensure that costs are reasonable and there is no theft, wastage or inappropriate destruction of economic value.

4.2 Employees should protect company assets, including confidential and proprietary information, funds and equipment. The assets must be used appropriately, efficiently and diligently for legitimate business use.

4.3 Employees should respect property rights of competitors, including intellectual property rights (IPRs). IPRs broadly cover patented or patentable inventions, trademarks, copyrights and designs.

4.4 Employees shall ensure the security of all confidential information available to them in the course of their duties. (Please refer separate Information Security Policy on this subject). Confidential information means all non-public information in HMCL's possessions, whether through internal or external development, that might be of use to competitors, or harmful to the financial stability or competitive position of HMCL, if disclosed. The obligation of non disclosure of any confidential information shall continue to be in force even after an Employee leaves the Company.

4.5 Employees must safeguard all confidential information of our customers and shall ensure that such information is used only for the reasons for which the information was gathered or other reasons allowed by law and that information is only shared with authorized individuals.

The infinite gift of wealth inherent in nature
is ours to enjoy, and duty to protect.

To attain success as a team, we rely on each other to fulfill our roles
and commitments, helping us to climb greater heights.

5. RELIABLITY PRINCIPLE

5.1 Employees are expected to honor the commitments made in the name of the Company.

5.2 Employees should also follow through on promises and be faithful to their word. All agreements and other voluntary undertakings should be maintained, whether or not embodied in legally enforceable contracts.

5.3 The suppliers and partners should be paid on time. This should be in accordance with agreed-on terms and conditions.

5.4 The Company's reputation depends on the conduct of its Employees. Every Employee of HMCL must play a part in maintaining the Company's reputation for the highest ethical standards.

5.5 We shall not indulge in false advertising, deceptive marketing practices, or other misleading representations.

5.6 All employees 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 offsite locations where the Company's business is being conducted, at Company sponsored business and social events, or at any other place where the Company is being represented. We consider honest conduct to be conduct that is fair, accurate, and free from fraud and deception.

6. TRANSPARENCY PRINCIPLE

6.1 All Employees shall ensure that their actions in the conduct of business are totally transparent except where the need of business security dictates otherwise.

6.2 Accurate and reliable records of many kinds are necessary to meet the Company's legal and financial obligations and to manage the affairs of the Company. The Company's books and records must reflect in a full, fair, accurate and timely manner all business transactions. The employees responsible for accounting and record keeping must fully disclose and record all assets, liabilities, or both, and must exercise diligence in enforcing these requirements.

6.3 Our policy is to provide timely, relevant, accurate, fair and understandable disclosure of all information - financial as well as non-financial. Accordingly, our Employees must ensure that they comply with our disclosure controls and procedures, and our internal controls for financial reporting.

6.4 Employees of HMCL shall ensure, at all times, the integrity of data or information furnished by him/her to the company. This will include any information - internal or external, including but not limited to: expense, attendance, production, financial, or similar reports and statements.

6.5 HMCL shall be represented at various forums, by specifically authorized Employees. It will be the sole responsibility of only these authorized Employees, and not of any other Employee to disclose information on the Company.

6.6 All communication to external stakeholders would be undertaken by authorized employees of the Company. When request for such interactions reach individual Employee, he or she will seek direction from their functional heads so that such requests may be directed to the authorized Employee.

6.7 All Employees shall declare information about their relatives (spouse, children and parents) employed in the company.

6.8 All Employees should inform the company if they are facing any legal proceeding or litigations in any court of law.

We need to be predictably transparent as the
tidal movements of our vast oceans.

Over the centuries the composition of a herd may change,
but dignity and respect shall remain preserved.

7. DIGNITY PRINCIPLE

7.1 In dealing with each other, the Employees shall uphold our core values- Integrity, Humility, Respect, Excellence and Speed. They should respect the dignity and human rights of everyone and not practice any form of discrimination on the basis of class, caste, religion, color, creed, age, marital status, gender or other legally protected personal characteristics or impairment of any kind, while dealing with any employee, customers, suppliers or any business partner.

7.2 An Employee shall treat other employees of the Company and all others, while discharging his or her duties, with dignity and respect and in the manner, so as to maintain a work environment free of sexual harassment, whether physical, verbal, written, psychological, or in any other form.

7.3 As a good corporate citizen, HMCL is committed to a gender friendly workplace. The Company seeks to enhance equal opportunities for men and women; prevent, stop and redress sexual harassment at the workplace and institute good employment practices.

7.4 HMCL embraces diversity. It extends equitable status to all irrespective of their culture, ethnicity, religion, race, caste and gender.

7.5 The Company attaches great importance to a healthy and safe work environment and is committed to providing good physical working conditions. The Company encourages high standards of hygiene and housekeeping. Each of us must comply with all applicable health and safety policies.

7.6 HMCL would continue to encourage its suppliers, dealers and customers to acquire awareness, and commit to healthy and safe work environment and practices.

7.7 Security personnel employed in our premises will not cause willful humiliation to our employees, visitors and business partners who come to our plants and offices on business visits or for duty.

7.8 The employees should respect the culture of our customers and their conduct should be aligned with this.

7.9 The Company will continue to invest in training and development of its Employees. It would continue to provide them opportunities to actualize their potential, creating greater value for the Company and for themselves.

8. FAIRNESS PRINCIPLE

8.1 We are committed to dealing fairly with our shareholders, employees, customers, vendors, competitors and all our associates. We will create commensurate value for all, without exploiting any stakeholder.

8.2 No Employee may take unfair advantage of anyone through manipulation,concealment, abuse of confidential information, misrepresentation of material facts or other unfair dealings or practice.

8.3 The Company or an Employee shall not engage in activities, which generate or support the formation of monopolies,cartels and similar unfair trade practices.

8.4 Employees shall avoid offering or giving any Company funds or property as donation to any government agencies or their employees, directly or through intermediaries, in order to obtain any favorable performance of official duties.

8.5 Employees will not achieve results through unethical business dealings. This includes any payments for illegal acts, indirect contributions,and bribery.

8.6 HMCL shall market its products and services on its own merits and shall not make unfair and misleading statements either about its own products or those of its competitors'.

Fairness is driven by values
embedded deep within the system.

Teamwork and ordered structure is the key to an organisation running smoothly.

9. CITIZENSHIP PRINCIPLE

9.1 It is the Company's policy to comply fully with all applicable laws and regulations. The Company cannot accept practices which are unlawful or damaging to its reputation. Practices, if any, which are likely to be in violations of the Law, will be identified and set right in due course.

9.2 Employees shall possess appropriate knowledge of the legal procedures relating to their roles and duties. They shall understand and abide by the law as well as the spirit of applicable laws. They shall also make adequate efforts and take responsibility to stay informed of any revisions to the law and take the necessary courses of action.

9.3 Employees, who are uncertain about the application or interpretation of any legal requirements, should refer the matter to the Legal department of the company or the relevant and appropriate authority.

9.4 Employees shall extend full cooperation to legal, regulatory and other statutory authorities and disclose information as required.

9.5 The Company is committed to best practices in environmental matters arising out of its business activities and expects each Employee to remain committed to this.

9.6 Employees shall be committed to minimising hazardous impact of the development, production, use and disposal of products and services on the ecological environment. Wherever possible, the Company would like to preserve and enhance the surrounding natural environment.

9.7 The Company and its employees should avoid such involvement in political activities and campaigns, which are deemed to be improper.

9.8 The Company is committed in all its actions to benefit the economic development of the countries in which it operates.

9.9 It shall not undertake any project or activity that will have any adverse impact on the social and cultural life of the citizens.

9.10 HMCL will adhere to the Competition Act.

10. RESPONSIVENESS PRINCIPLE

10.1 HMCL plays a strong role in supporting the communities in which it does business. But charitable contributions may not be given or requested by an employee, customer, vendor or other business partner as a condition of or in order to influence a business decision.

10.2 The Company shall assist in the improvement of the quality of life of the people in the communities in which it operates. Such social responsibility would include actions such as, supporting community initiatives in the field of community health and family welfare, water management, vocational training, education and literacy.

10.3 The Company would appropriately contribute to charitable causes of apolitical nature, which are within its capacity and those that build capabilities of self-sustenance.

10.4 Employees should not use HMCL's name, logo or trademarks (including on corporate letterhead or personal websites), facilities or relationships for personal benefit or for outside work. Use of HMCL's name, facilities or relationships for charitable or pro bono purposes can be made only with prior approval from appropriate authority.

10.5 The Company shall offer products whose quality meets or exceeds customer's requirements. It shall provide timely service and remedies for customer complaints.

Quick thinking and adaptability to changing conditions ensure that we can pursue our predetermined paths and goals.

11. ADDITIONAL INFORMATION

At HMCL, we aspire to the highest standards of ethical and professional conduct. In the thousands of decisions we make and actions we take every day, we affirm our commitment to this Code of Conduct and commit to create value for all our stakeholders.

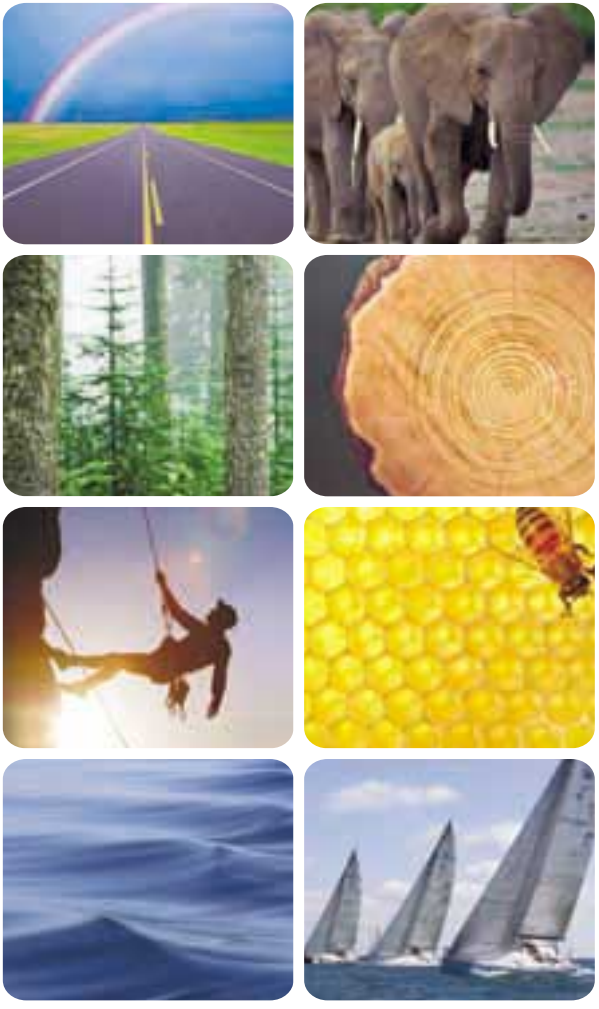
11.1 VIOLATIONS OF THE CODE

It is the responsibility of the Employees to help enforce this Code. All should be alert to possible violations and report this as discussed earlier in "Section 2".

Employees must co-operate in any internal or external investigations of possible violations. The Company will take appropriate action against any Employee whose actions are found to violate the Code or any other policy of the Company.

11.2 WAIVERS AND AMENDMENTS TO THE CODE

The Code of Conduct is subject to modifications. Any amendment or waiver of any provision of this Code would be approved in writing by the Managing Director of the Company. The updated code would thereafter be disclosed to all the employees.



12. ACKNOWLEDGEMENT OF RECEIPT OF CODE OF CONDUCT:

I acknowledge that I have received and read the Hero MotoCorp Ltd. Code of Conduct document and understand my obligations as an employee to comply with the principles, policies and laws outlined in the Code, including any amendments made by the Company. I agree to comply with the Code.

If I have questions concerning the meaning or application of the Code, I know that I can consult with the HR Department at any time.

Sign: _____

Date: _____

Name: _____

Employee Code: _____

This signed and completed form must be returned within 30 days of receiving this booklet to HR department.

Failure to do so will not affect the applicability of this Code of Conduct or any of its provisions to you.

Hero

TEAR HERE

LAUNCH OF CODE OF CONDUCT

Releasing the Code of Conduct

Committing to the Code

Audience in a reflective mood

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