



Smart solutions.
Strong relationships.

CG CODE OF CONDUCT AND BUSINESS PRACTICES



AVANTHA
GROUP COMPANY



Dear Colleagues,

At CG Power and Industrial Solutions Limited, we strive to set best corporate practices in the industry. It is thus imperative to inculcate the highest ethical and moral standards in all our employees, both in their professional and personal lives. Honesty, integrity, fair dealings and full compliance with all applicable laws are some of the best practices that should characterise the professional behaviour of our employees.

With the business environment evolving constantly, we assess our Code of Conduct on a regular basis to ensure that it reflects global best practices and meets the expectations of all stakeholders. This revised Code which supersedes the previous Code of Conduct issued in January 2009, specifies and helps in the implementation of the best Business Practices by establishing certain basic non-negotiable standards of behaviour in key areas. These principles and ethics cover all aspects of our operations.

Our reputation and success as an organisation depends on the personal commitment that each one of us in CG make to uphold our values and practice ethical behavior in all of our business dealings. All of us, regardless of employment level, position or geographic location, are expected at all times to make this commitment to uphold the standards of business conduct outlined in this Code and apply these principles in the conduct of the company's business.

A handwritten signature in black ink, appearing to read 'K N Neelkant'. The signature is fluid and cursive, with a distinct flourish at the end.

K N Neelkant
CEO & Managing Director
CG Power and Industrial Solutions Limited

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1. Introduction

Every organisation is known for its employees - through the work they do and the way they represent the Company to the external world; CG is no different. While carrying out their responsibilities employees are required to conduct themselves in a certain manner. This revised CG Code of Conduct and Business Practices (herein after referred to as the “Code”), strives to establish a set of rules, with respect to the various dimensions of business behaviours and practices, its aim being, to minimise adverse consequences due to ambiguity, for CG and every employee.

CG Power and Industrial Solutions Limited (referred to as “CG” or “the Company”) respects Laws and Regulations in all forms. This law-abiding culture originates from the CG Value of Intellectual Honesty, which recognises and adopts intellectual credibility and trustworthiness in all business dealings as a Core Business Value. Consequently, practices have evolved over the years which have acted as a guiding light, for informed decision making, even in areas where legal rules did not exist or were open to interpretation.

The focus of this Code, is to achieve a consistent perspective on business operations across geographies and variable platforms with the end-objective of fostering optimum performance across all locations, with the requisite degree of expected discipline.

This Code is meant to assist all employees of the Company, to understand and promote all the principles that CG stands for. The Code is a detailed and practical guide on what is required of a CG Employee in terms of standards of conducting business and expected behaviour. All the practices and behaviours detailed in this Code, find their genesis in the five CG Values of Performance Excellence, Leading Edge Knowledge, Nurturance, Customer Orientation and Intellectual Honesty, which will always serve as guiding principles, whilst taking decisions.

It is expected that every CG employee faithfully and diligently follows this Code.

Familiarisation with this Code must be a part of every employee's induction process. This Code must be made available to every employee of the Company on joining. Every employee, on his/her joining the Company, must acknowledge in writing, that he/she agrees to abide by this Code and this acknowledgement must be a part of his/her employee record.

This Code applies to all Officers, Managers, Executives and Directors of CG and entities under CG.

In addition, all employees must annually certify adherence to the Code, at the year-end in format as provided in the Code (refer to the Annexure).

2. General

Directors and employees must –

- a. Fulfill the functions of the office with integrity as well as professionalism and exercise the powers attached thereto, with due care and diligence;
- b. Act in the best interest of, and fulfil the fiduciary obligations to the Company's shareholders, whilst also considering the interests of other stakeholders;
- c. Take informed business decisions based on independent judgment and in the best interest of the Company, not influenced by personal interest or gain;
- d. Respect the confidentiality of information and use utmost discretion whilst deciding its disclosure or dissemination, ensuring that no personal advantage or detriment to the Company results from the same;
- e. Make available to, and share information with colleagues when considered expedient in the best interest of the Company;
- f. Act in a manner that will protect the Company's reputation;
- g. Abide by the Company's "Values" and Code of Business Practices;
- h. Encourage reporting of behaviour, which is contrary to the Company's "Values" and Code of Business Practices and ensure that the person reporting such violation is not aggrieved in any manner;
- i. Comply, in spirit and in letter, with all applicable laws, rules and regulations, and also honour the philosophy of "good faith", guided by one's sense of right and wrong;
- j. Adhere to the terms of the powers delegated by the Board;
- k. Whilst entering into contracts with Service Providers and Consultants, protect the arrangement for disclosure or dissemination of confidential information;
- l. Establish processes and systems for storage, retrieval and dissemination of documents, both in physical and electronic form, so that the obligations of this Code of Conduct are fulfilled.

3. Integrity in working

Employees of CG are required to observe ethical practices in all activities undertaken on behalf of CG. Every employee must avoid a situation which might be considered improper or might bring CG into disrepute. Employees are expected to conduct business in an ethical, law abiding and responsible manner. It must be understood that in paying attention to profits and business objectives there is no conflict with paying attention to ethics.

4. Conflict of Interest

A “Conflict of Interest” arises in a situation where an employee has a private or personal interest which is sufficient to influence the objective exercise of his/her judgement in the discharge of duties. Involvement in a situation in which, the Company's interest has an actual or potential conflict with the employee's private or personal interest is an unacceptable practice and will be viewed as a dilution of the trust that CG has reposed in the employee. In general, a conflict of interest exists for employees, who use their position in the Company for the benefit of their own self, friends, family or relatives.

An employee's primary employment obligation is to the Company. The Company's employees shall avoid entering into any situation in which their personal or financial interests may conflict with those of the Company including related party transactions. Employees should not place themselves in a position where they are, or appear to be, under personal obligation to any person who might benefit or seek to gain special consideration or favour resulting from the relationship. Business decisions must be taken on an arm's length basis, duly supported by relevant facts and justified rationale such as quality, track record, competitive pricing, etc.

Illustrative instances that indicate Conflict of Interest:

- Hiring or recommending the hiring of a vendor/business associate, which employs a close relative or in which, CG's employee or his/her close relative has an influencing ownership stake or relationship.
- Negotiating or dealing with vendor/service provider with whom the employee has personal relationship running beyond business relationship unless relationship is disclosed and other employees form part of such negotiation/dealing.
- Acceptance of gift(s) or favour(s) from a vendor/business associate by a CG employee or by a close relative.
- Awarding of contract(s) to a vendor/business associate in view of his/her contributions to charitable or community campaigns to which an employee is committed.
- Performing services or practicing of any service externally (in the form of a consultant) for a competitor, vendor, sub-contractor, customer, business associate, etc. (whether directly or indirectly), whilst employed with CG.
- Benefiting from a business opportunity, either through oneself or through a close relative that would otherwise belong to CG or which is in competition with CG.
- Participating in a decision of the Company to hire or promote a family member or relative of the employee or using their position in the Company to solicit clients for their business or a business operated by a family member or relative.

- Being obligated to any person or organisation which might benefit from special consideration or favour on the employee's part or who might seek in any way preferential treatment in relation to the Company.
- Giving preferential treatment to relatives, personal friends or to organisations in which the employee or his/her relatives or personal friends have an interest, financial or otherwise. Using CG's assets, contacts, possessions or other resources to directly or indirectly start or support a private business activity, by oneself or through a close relative.
- Moonlighting, regular trading in the Company's shares, investments in the enterprises of business partners, competitors, associates, etc., whether directly or indirectly.
- Using official tours to disguise Personal Use/Purposes/Agendas/Activities.

Employees should always act in the best interest of CG and should not enter into any kind of private transactions that directly or indirectly bring personal advantage. If a Conflict of Interest has occurred or if an employee faces a situation that may involve or lead to a Conflict of Interest, the employee shall disclose it to his or her Line Manager and/or the HR or the Legal Function to resolve the situation in a fair and transparent manner.

5. Gifts, Entertainment and Business Courtesies

CG discourages all its employees from receiving gifts or entertainment or business courtesies except otherwise provided herein. Employees shall not be influenced by receiving favours nor shall they try to improperly influence others by providing favours.

Employees may only accept symbolic gifts, meals or business courtesies, which are appropriate under the circumstances and they shall not accept such symbolic gifts, if such behavior could create the impression of improperly influencing the respective business decision.

Employees should make every effort to refuse or return gifts having commercial value. Under exceptional circumstances if gifts are to be accepted of limited or symbolic value such as pens, diaries, calendars, etc., then the same should be reported to the immediate superior and deposited with the Company Secretary or such official nominated for this purpose by the Global General Counsel (GGC). Perishable gifts items may be distributed in office. When gifts are received, the reporting requirements shall be followed regardless of the final disposition of the gifts. Company Secretary/official nominated should circulate details of such gifts to the CFO and GGC on a quarterly basis. The acceptance of such gifts should not be construed or interpreted as being in exchange for a favour or favourable consideration.

In offering symbolic gifts, it must be ensured that such gifts never unduly influence business decision making or cause others to perceive an undue influence. Business gifts, meals and entertainment of reasonable value may be provided to non-government individuals in support of business activities, so long as these courtesies are not offered for any improper purpose, do not violate any law or regulation, do not relate to work on a government contract and do not violate the Code, policies of the organisation to which the individual belongs.

CG strictly prohibits giving money or anything of value directly or indirectly to any Government official or employee of any Country for the purpose of influencing the Government employee or official. This prohibition includes giving money or anything of value to any third party where there is reason to believe that it will be passed on to a Government employee or official. Government departments and agencies could be governed by laws and regulations concerning acceptance by their employees or officials of entertainment, meals, gifts, gratuities and other things of value from firms and persons with which those departments and agencies conduct business or over which they exercise regulatory authority or oversight, which must be strictly adhered to. However, in offering such symbolic gifts as business courtesies, it must be ensured that offering of such gifts is not in breach of any local or international bribery laws and must not be remotely construed or interpreted as being in exchange of a favour or favourable consideration.

We are also under an obligation to ensure agents or others providing gifts or entertainment on the Company's behalf follow our guidelines. When dealing with organisations or Government/Public sector corporations that have more restrictive limits or prohibitions against accepting business gifts and entertainment, we must abide by their standards.

CG does not directly or indirectly, offer or promise future employment to any employee or official of a Government Department with whom it is required to deal with.

6. Fair Employment Practices

At CG, we believe that performance, potential and meritocracy, shine above an individual's race, colour, creed, ancestry, ethnic origin, religion, sex, nationality, age, physical handicap/disability or marital status and must be respected. We value and recognise every individual equally. The only factor that measures an individual's stature in the CG work environment is his/her level of performance and potential, which determines overall meritocracy. The CG Values of Performance Excellence and Nurturance encourage a performance culture and discourages personal bias.

CG fosters equal opportunities and treatment of all its employees and expects the same from them too. It is expected that every CG employee respects his/her fellow employees, and, will not indulge in any action, deed or dialogue, which could result in hurting the sentiments of other employees and stakeholders. It is incumbent that all CG employees in a leadership role always strive to create and sustain a discrimination-free habitat, promote harmony and advocate fair employment practices.

CG's success depends on the development and contribution of its employees. The Company is committed to provide equal employment opportunities and a work environment that recognises and respects employee contributions. CG provides equal employment opportunities to qualified individuals based on their performance, potential and meritocracy. CG recognises its employees, based on fair performance evaluation criteria. CG's policy on HIV/AIDS advocates equal opportunities to HIV/AIDS affected employees, if standards of performance and meritocracy are fulfilled.

7. Confidentiality

CG places immense faith in its employees and entrusts them with numerous confidential and other information/data, which is crucial to the Organisation. Employees are required to respect the confidentiality of all information and data, even after they have ceased to be employees. Every employee is a custodian of this Trust and must safeguard the Company's confidentiality concerns.

Confidential information consists of any information that is not or not yet public information. It includes trade secrets, business, marketing and service plans, consumer insights, engineering and manufacturing ideas, designs, databases, records, salary information, employee data and any non-published financial or other data.

Unless required by law or authorised by their management, employees shall not disclose confidential information or allow such disclosure. This obligation continues beyond the termination of employment. Furthermore, employees must use best efforts to avoid unintentional disclosure by applying special care when storing or transmitting confidential information.

CG respects that third parties have a similar interest in protecting their confidential information. In case that third party, such as joint venture partners, suppliers or customers, share confidential information with CG, such information shall be treated with the same care as if it was CG's confidential information. In that same spirit, employees shall protect confidential information that they have obtained in the course of their prior employment.

8. Fraud

The Company is committed to the elimination of fraud and to rigorous investigation of any suspected cases of fraud. Where fraud or any criminal act is found, to ensure that wrongdoers are appropriately dealt with, all acts of fraud will be subject to strict disciplinary action, including dismissal, possible civil and/or criminal action against the concerned Employee, forfeiture of employee benefits, including salary/retiral benefits etc.

Some examples of fraud include:

- Disregarding or violating Company's Rules of Procedure or other standard processes.
- Preparing/submitting/manipulating supplier quotes with the intent of awarding contracts to another identified supplier.
- Submitting false expense reports.
- Forging or altering cheques.
- Misappropriating assets or misusing Company's property.
- Unauthorised handling or reporting of transactions.
- Inflating sales numbers by shipping inventory known to be defective or non-conforming.
- Making any entry on Company records or financial statements that is not accurate and in accordance with proper accounting standards.
- Misuse of authority to gain benefit for yourself or for others.
- Withholding information of fraud committed on the Company.

9. Bribery and Corruption

The Company is committed to abiding by all laws and regulations or if necessary to exceeding them, to prevent bribery and corruption wherever we do business.

We interpret the term “bribe” broadly to include any illicit advantage offered or accepted as an inducement to or reward for performing or abstaining from performing any Company duties. Items considered bribes include cash, cash equivalents, loans, commissions, benefits in kind or other advantages. Promising, offering, seeking, accepting bribes in any form, directly or indirectly is strictly prohibited.

CG has zero tolerance towards bribery and corruption. Employees must never, directly or through intermediaries (agents, partners, contractors, family members or anyone else acting on someone's behalf), offer or promise any personal or improper financial or other advantage in order to obtain or retain a business or other advantage from a third party, whether public or private. Nor must they accept any such advantage in return of any preferential treatment of a third party. Moreover, employees must refrain from any activity or behaviour that could give rise to the appearance or suspicion of such conduct or the attempt thereof.

The funds and resources of the Company shall not be used directly or indirectly for any such purpose. Moreover, employees are strictly prohibited from discussing terms with people who ask for or offer bribes. Anyone who receives an offer of bribery must immediately report it to their manager and Regional General Counsel (RGC).

10. Alcohol and Drug Abuse

The Company is committed to a safe, healthy and productive workplace for its employees. Use of illicit drugs, controlled substances or alcohol, or the misuse of medications, may also affect your safety and the safety of co-workers, and impact our business operations. Therefore, we must ensure that our workplace is free of any alcohol and drug or related problems. No company employee or contractor will be allowed to work under the influence of alcohol or drugs. Use or possession of illegal substances or drugs in Company premises is strictly prohibited.

Any illegal act by an employee using illicit drugs, controlled substances or alcohol, or the misuse of medications even if outside the premises of the Company which bring disrepute to the Company would be regarded a violation of this Code.

11. Money Laundering

CG complies with the applicable money laundering regulations in each jurisdiction in which it operates and will co-operate fully with any investigation conducted by regulatory authorities involving potential money laundering by an employee, officer or director of the Company.

12. Political Contribution

It is the Company's general policy to remain politically neutral and avoid making political contributions (donations). No funds or assets of the Company may be contributed to any political party or organisation or to any individual who either holds public office or is a candidate for public office except where such a contribution is permitted by applicable law and has been authorised by the Chairman or the Board of Directors.

However, the Company in no way restricts an employee, as an individual, from making political contributions or participating in local or national politics.

13. Compliance with Laws and Regulations

The Company's activities are subject to the laws of different jurisdictions, statutory requirements and statutory codes. Each of us is required to adhere strictly to both the letter and spirit of all applicable laws, regulations and statutory codes. The laws that apply to particular international transactions and activities include those of the countries where the transaction occurs. The applicable laws also include certain laws of the jurisdiction, where we operate and governing international operations of the Company.

The employees of the Company are required to adhere to the Compliance Policy of the Company as notified by the General Counsel of the Company.

Each of us is expected to co-operate fully in the investigation of any alleged violation of the law. Concealing a violation or altering or destroying evidence may be illegal and will be treated as a serious breach of the Code.

14. Insider Trading

CG is a Public Listed Company in India and requires its employees to understand the implications of dealing in the Company's shares. Whilst CG does not discourage its employees from purchasing its shares, there exists a Regulatory framework (applicable to certain categories of employees) which must be adhered to. Employees are required to comply with the code on Insider Trading while dealing with the shares of the company.

Any sharing or publicity of information, regarding the Company's operations, is not acceptable, if this could directly or indirectly influence a buyer's or seller's decision in this regard.

The "Insider Trading Code", published on the CG Intranet contains the required framework for purchasing/selling the Company's shares.

When in doubt regarding the interpretation or applicability of CG's insider trading rules, employees shall consult with the Company Secretarial Function.

15. Whistle Blower

The Company has in place a Whistle Blower Policy with a view to provide a mechanism for employees of the Company to report violations mentioned in the Policy and assures them of the process that will be followed to address the reported violation. It is to encourage individuals who believe they have discovered malpractice or impropriety or violation of this Code within the organisation while also offering whistleblower's protection.

16. Anti-trust and Competitive Laws

CG is committed to free and open competition in the marketplace. Employees should avoid actions that would be contrary to laws governing competitive practices in the marketplace. The Company and its employees shall under no circumstances engage in any anti-competitive practices such as illegal fixing of prices, cartelisation, sharing of markets or other actions which prevent, restrict or distort competition in violation of applicable anti-trust laws.

17. Health, Safety and Environment

CG is committed to providing safe and healthy working conditions to the employees of its factories and establishments worldwide and is equally concerned about protection of the environment at large. CG regularly invests in resources and infrastructure, essential to ensure for its employees, a safe and healthy work place. We need the commitment of every employee in this journey.

The Company and its employees shall act positively to prevent injury, ill health, damage and loss arising from its operations as well as to comply with all regulatory or other legal requirements pertaining to safety, health and the environment. All employees are required to be aware of health, safety and environmental issues and to be familiar with applicable laws and the Company's policies applicable to their areas of business/work. Employees shall bring to the management's attention any workplace safety or health hazard.

18. Abiding by Company's Policies and Procedures

Employees are required to comply with all policies and procedures (including this code of conduct and management/system controls), circulars and guidelines issued from time to time as available on the CGHR4U and/or notified/communicated to employees from time to time.

19. Financial Discipline

At CG, we expect our employees to guard the Company's financial credibility and the trust that all its stakeholders have reposed in it. This integrity should translate into authentic accounting practices as well as sincerity and honesty whilst implementing the Company's financial procedures. This obligation extends to reporting any financial indiscipline/irregularity that an employee may become aware of. Shareholders, management and other interested parties must have complete and accurate financial information in order to make informed decisions. Many employees participate in accounting processes that directly impact the integrity of external financial statements and internal management reports.

All such employees have a responsibility to ensure that all transactions are recorded in Company's accounts accurately and promptly and they must immediately report any known inaccuracies. Misrepresentations by employees that result from intentional acts that may conceal or obscure the true nature of a business transaction are clear contraventions of this Policy.

20. Protecting of CG's Assets and Resources

All employees have an obligation to protect CG's assets and resources and ensure that these are efficiently used. All CG's assets and resources must only be used for legitimate business purposes. These include an employee's time at the workplace, physical assets, space, software, facilities and intellectual property. Assets must be handled with care, to avoid loss, theft or damage. In case of loss, theft or damage of company's assets, it is the responsibility of the employee to report such incidence to his/her Head of Department.

21. Intellectual Property Rights (IPR)

All employees must ensure that proper procedure is followed for protection of the Company's IPR, so that its rights related thereto, are not diluted in any way. This obligation also extends to non-infringement of IPR which belongs to other Organisations.

Employees may sometimes, on behalf of CG, develop ideas, processes and technology. This intellectual property belongs to CG and not to the employee. IPRs can include patents, trademarks, copyrights, propriety information, know-how, trade names, brand names, advertising slogans, designs, logos, etc. An employee is required to respect the value of CG's Intellectual Property and its rights related thereto.

22. Interpersonal Behaviours and Etiquettes

Cross-cultural influences are always integral to an Organisation, since businesses are no longer confined to a single geography. CG's activities, as a transnational Organisation, have spread across several nations and ethnicities. To benefit from this cross-cultural strength, together with its ingrained ethos of professionalism, CG recognises the need for high social quotient and interpersonal skills, necessary in building international relationships. Professional business as well as personal behaviour & etiquette reflect an Organisation's reputation; hence, CG requires the adequate degree of responsibility from its employees in these matters. In addition, employees in a Leadership role, must take an active interest to equip themselves with the customs and acceptable behaviours of other countries and cultures, towards achieving the high standards of excellence that CG always strives for.

Since CG's business activities span across several countries and cultures, it is important that all employees conduct business with professionalism, respect and sensitivity. Social Quotient is a crucial factor in business interactions. Qualities like appearance, verbal skills, mannerisms etc. of employees can affect CG's reputation, especially where cross-cultural interactions are involved.

23. External Communication

Only the Managing Director of CG is authorised to make public statements and release media communication relating to CG's policies, future plans, day to day operations, organisational issues, investments and financial information. Employees must not make statements on these topics without previous consultation with the Managing Director's office; these will include Presentations to the outside world; Interviews to Newspapers/Magazines etc.

Communications at Dealer Meets, Retailers Meets, Sales Promotion Programmes, Trade Fairs, etc. must be approved by the Managing Director's office, unless the same is product related, in which case, it must be approved by the Business Head/Division/Entity Head.

It is expected that different Investor communities are provided with consistent information.

Improper disclosure can create serious financial/competitive losses, disadvantages and/or legal liabilities for CG, as well as individual employees. Therefore, due care and caution is expected. If in doubt, please consult the reporting authorities mentioned in section 24 of this Code, or adopt the more conservative approach.

24. Request for Information from Regulatory Authorities

CG is committed to co-operate with requests for information and scrutiny of Regulatory Authorities. If a representative of any Government or Regulatory Authority seeks an interview with an employee or requests access to information, data or documents for the purposes of scrutiny or an investigation, the employee must direct the representative to the Division/Entity Head. Employees must never delete or destroy records or information, including documents and e-mails, which are, or might be the subject of Regulatory scrutiny, internal investigation or a lawsuit.

25. Duties of Independent Directors

Independent Directors, besides, the duties specified in the Companies Act, 2013, shall also perform the below mentioned duties:

- a. Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company.
- b. Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts.
- c. Strive to attend all meetings of the Board of Directors and of the Board committees of which they are a member.
- d. Participate constructively and actively in the committees of the Board in which they are chairpersons or members.
- e. Strive to attend the General Meetings of the Company.
- f. Ensure that their concerns, if any, 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.
- g. Keep themselves well informed about the Company and the external environment in which it operates.
- h. Not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.
- i. 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.
- j. 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.
- k. Report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Code of Business Practices.
- l. Act within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees.
- m. 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.

26. Breach of Code

This policy should be followed in letter and spirit. The breach of the Code is viewed seriously. All suspected breaches of Code will be investigated and during investigation the concerned employee may be suspended with or without pay till the investigation is completed. Finding a breach of the Code may result in disciplinary action including written warning, termination of employment, removal from role / position or other punitive action including withholding / forfeiture of employee benefits, salaries, retiral benefits etc., public notification of disassociating the employee from the company, or as management deems fit, subject to applicable laws. Some of the breaches of the Code could also result in civil or criminal proceedings.

27. Reporting

In case there is any non-adherence, it needs to be reported to the Reporting Authority immediately. If the Laws and Regulations of a location prescribe a reporting mechanism, then the same should be adhered to with utmost stringency. In addition to the legal requirements, the violations or deviations under the Code, Laws & Regulations as well as Company Policies must be reported in either of the following ways:

- Reporting on a separate e-mail ID md.cgcode@cgglobal.com which has been created for reporting any violations or deviations. E-mails sent to this e-mail ID will directly reach the Managing Director of CG.
- Reporting to the Global Head of Human Resources, Legal and/or Internal Audit.
- Reporting under the Whistle Blower Policy

Whilst reporting a non-adherence or a violation, the following information must be provided:

- The specific aspects of this Code, which have been violated
- The name and other details of individual, group of people or functions involved
- A comprehensive description of the violation, giving details of the incident, which will enable the Management to understand the violation
- Information/data that the reporting employee has with him/her that Management can refer to, whilst investigating the violation

Reporting with malafide or malicious intent, in order to “settle scores” or with “hidden agendas” will also be considered a violation of this Code; except genuinely mistaken reporting, based on evidence which could have been the subject matter of varying interpretations. If after investigation, it is found that the reporting was malafide/malicious, the reporting employee can expect a serious Management response.

28. Acknowledgment

ACKNOWLEDGEMENT

(Employee's commitment to abide by the CG Code of Conduct and Business Practices)

I acknowledge that I have received, read and understood the latest CG Code of Conduct and Business Practices.

I agree to comply with the standards contained in the Code and all related policies and procedures as is required as part of my continued employment or association with the organisation.

I will report any potential violation of which I become aware of promptly to my supervisor, Regional General Counsel, Office of General Counsel, Company Secretary and/or HR department as the case may be. I understand that any violation of the Code of Conduct or any corporate ethics or compliance policy or procedure is ground for disciplinary action.

Name of Employee/ Director:

Employee No.:

Designation:

Name of Company:

Department:

Unit/Location:

Signature:

Date:

Note: HR Department Head of the Entity/Unit/Business/Function must obtain this acknowledgement from every employee, as well as new employees; to be recorded in the employee's personal file.

29. Annexure

ANNUAL CERTIFICATE

(Certification of Compliance with the Code of Conduct and Business Practices by Director/Employee)

I acknowledge that I have read and understood the latest CG Code of Conduct and Business Practices.

I have complied and will continue to comply with the standards contained in the Code and all related policies and procedures as is required as part of my continued employment or association with the organisation.

I will report any potential violation of which I become aware of promptly to my supervisor, Regional General Counsel, Office of General Counsel, Company Secretary and/or HR department as the case may be. I understand that any violation of the Code of Conduct or any corporate ethics or compliance policy or procedure is ground for disciplinary action.

I undertake, that

- I have not taken any action that would violate the following sections / chapters in the code:
 - Anti-Trust and Competition Laws
 - Insider Trading Code
 - Gifts, Entertainment and Business Courtesies
 - Bribery and Corruption
 - Fraud

- Neither I nor, to the best of my knowledge, any of my immediate family members, other relatives or close personal friends, have any or have had any interests or taken any action which would violate “Conflicts of Interest” in the Code.

- I am not aware of any business practice which has violated the Code, or is currently in violation of the Code, which has not been documented and reported to an appropriate level of management.

Name of Director/Employee:

Employee No.:

Name of Company:

Unit / Global Function:

Department:

Location:

Period Start Date:

Period End Date:

Signature:

Date:

Note: HR Department Head of the Entity/Unit/Business/Function must obtain this certificate from every employee for the year within four weeks from the end of financial year. They are also required to prepare a summary of submissions and exceptions and circulate to the General Counsel, Company Secretary and Global HR Head, which should form part of their annual compliance certificate.

CG Power and Industrial Solutions Limited

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April, 2017