

1. Introduction

The Board of Directors of Vedavaag systems Limited has adopted and oversees the administration of the VEDAVAAG GROUP Code of Business Conduct and Ethics (the “Code of Conduct”), which applies to all directors, officers and employees of Vedavaag Systems Limited and its subsidiaries (collectively, the “VEDAVAAG GROUP”). The Code of Conduct reflects the VEDAVAAG GROUP's commitment in doing business with integrity and in full compliance with the law, and provides a general roadmap for all VEDAVAAG GROUP directors, officers and employees to follow as they perform their day-to-day responsibilities. The Code of Conduct provides the basis for the personal commitment required of all VEDAVAAG GROUP directors, officers and employees to perform their job responsibilities with the highest ethical standards, in compliance with applicable laws and in a manner that is respectful of each other and the VEDAVAAG GROUP's relationships with customers, suppliers and shareholders, as well as the communities and regulatory bodies where the VEDAVAAG GROUP does business.

All VEDAVAAG GROUP directors, officers and employees are expected to be familiar with the Code of Conduct and to follow it in the day-to-day performance of their jobs. While the Code of Conduct establishes basic rules of conduct for a variety of circumstances, there is no single set of rules that can address all possible scenarios. Furthermore, questions involving ethical and legal issues can sometimes be complex. If a VEDAVAAG GROUP director, officer or employee encounters a situation where he or she is unsure of how to proceed in accordance with the Code of Conduct, he or she should seek guidance from the appropriate persons within the VEDAVAAG GROUP indicated in the section herein entitled “*Code of Conduct Procedures, Open-Door Communication and Non-Retaliation.*”

The Code of Conduct is meant to co-exist with additional policies that relate to more specific legal, ethical, financial, safety and other matters that are applicable to either the entire VEDAVAAG GROUP or to certain companies, departments or geographic regions within the VEDAVAAG GROUP. All directors, officers and employees of the VEDAVAAG GROUP are also expected to be familiar with such additional policies and, to the extent applicable, to follow them in the day-to-day performance of their jobs.

No one within the VEDAVAAG GROUP has the authority to make exceptions or grant waivers with respect to the Code of Conduct. Regardless of the challenges one may face in performing his or her job, no situation can justify the willful violation of the Code of Conduct. The reputation of the VEDAVAAG GROUP depends on all VEDAVAAG GROUP directors, officers and employees understanding and complying with the Code of Conduct.

2. Ethics and Integrity

a. Generally

The policy of the VEDAVAAG GROUP is to comply with all laws, rules and regulations applicable to its business. However, even where an applicable law may be permissive, VEDAVAAG Group

directors, officers and employees are expected to act with the highest level of integrity.

Local customs and traditions may differ in the geographic regions in which the VEDAVAAG GROUP operates, and while these differences must be recognized, honesty and integrity are attributes of human behavior that are welcomed and respected in any culture. A reputation for always displaying the highest level of ethical behavior is itself an invaluable asset to the VEDAVAAG GROUP.

b. Business Ethics

It is the policy of the VEDAVAAG GROUP to care about how results are obtained, not just that they are obtained, and achieving results through unscrupulousness dealings or at the cost of a violation of law will not be tolerated. No VEDAVAAG GROUP director, officer or employee may enter into unethical or unlawful arrangements in the performance of their work duties, such as providing bribes, kickbacks, or similar remuneration or consideration to attract business, obtain favors or influence decision-makers. VEDAVAAG GROUP directors, officers and employees are expected to always deal honestly and fairly with customers, suppliers and others with whom the VEDAVAAG GROUP does business.

c. Customer Relations

The VEDAVAAG GROUP values its long-standing relationships with customers and recognizes that customer satisfaction is of primary importance to the success of the VEDAVAAG GROUP. It is the VEDAVAAG GROUP's policy to:

- (i) provide high quality products that meet or exceed customer specifications under all reasonable circumstances;
- (ii) furnish accurate and sufficient information about its products and services so that customers can make informed purchasing decisions; and
- (iii) require truth in advertising and other Communications relating to its products and services. VEDAVAAG GROUP employees are expected to always deal honestly and fairly with customers and to carry out the VEDAVAAG GROUP's contractual commitments to customers with the highest standards of customer service.

d. Financial Integrity

Financial integrity is vital to the success of the VEDAVAAG GROUP. It is the policy of the VEDAVAAG GROUP that all transactions are properly authorized in accordance with applicable VEDAVAAG GROUP policies and accurately reflected in the books and records of the VEDAVAAG GROUP in accordance with applicable generally accepted accounting principles and established corporate accounting policies and procedures. False, fictitious or deceptive entries in the VEDAVAAG GROUP's books and records are strictly prohibited. It is also the policy of the VEDAVAAG GROUP that all VEDAVAAG GROUP funds be retained in properly authorized and identified VEDAVAAG GROUP accounts. The establishment of undisclosed or unrecorded VEDAVAAG GROUP funds is strictly prohibited, as is the placement of VEDAVAAG GROUP funds in any personal or non-corporate account.

VEDAVAAG GROUP employees are expected to adhere to the VEDAVAAG GROUP's internal financial controls and to be honest and forthcoming with VEDAVAAG GROUP directors, senior management, internal auditors and external auditors. The VEDAVAAG GROUP's system of management will not work without honest bookkeeping, budget proposals and evaluation of projects. It is also the policy of the VEDAVAAG GROUP that full, fair, accurate, timely and understandable financial disclosures be made in reports and documents filed with the Bombay Stock Exchange, or that are otherwise disclosed to investors, lenders, ratings agencies, government agencies or other third parties.

VEDAVAAG GROUP employees responsible for corporate funds and accounts must be familiar with and follow applicable VEDAVAAG GROUP policies and procedures concerning accounting matters, including applicable grants of authority policies.

3. Conflicts of Interest

It is the policy of the VEDAVAAG GROUP that all VEDAVAAG GROUP directors, officers and employees avoid any real or apparent conflict between their own personal interests and those of the VEDAVAAG GROUP. A conflict of interest occurs when an individual's personal interest interferes, or appears to interfere, with the objective and effective performance of his or her responsibility to pursue the interests of the VEDAVAAG GROUP. Service to the VEDAVAAG GROUP should never be subordinated to personal gain, and VEDAVAAG GROUP directors, officers and employees are expected to avoid actual or apparent conflicts of interest in dealing with present or prospective customers, suppliers or any other person or organization with whom the VEDAVAAG GROUP has current or prospective business dealings.

Clear conflict of interest situations involving VEDAVAAG GROUP directors, officers and other employees who occupy supervisory positions or who have discretionary authority, or any member of their respective families, may include the following:

- **Related Party Transactions.** A significant ownership interest in, or any consulting or employment relationship with, any customer, supplier or any other person or organization with whom the VEDAVAAG GROUP has business dealings, or the receipt of any type of remuneration from a person or organization in relation to business transacted with such person or organization on behalf of the VEDAVAAG GROUP.
- **Gifts and Entertainment.** The receipt of gifts, entertainment, gratuities or services, other than usual and customary business courtesies that are of nominal value i.e., an amount not exceeding Rs. 5,000/- (Rupees Five Thousand Only), from present or prospective customers, suppliers or any other person or organization with whom the VEDAVAAG GROUP has current or prospective business dealings.
- **Hiring or Supervising Family Members.** Being in the position of hiring, supervising, reviewing or having any influence on the job evaluation, pay or benefit of any immediate family member.

VEDAVAAG GROUP directors, officers and employees must be familiar with and follow applicable VEDAVAAG GROUP policies and procedures concerning conflicts of interests, including VEDAVAAG GROUP policies regarding related party transactions and gifts and

entertainment.

4. Corporate Opportunities

VEDAVAAG GROUP directors, officers and employees owe a duty to the VEDAVAAG GROUP to advance the VEDAVAAG GROUP's business interests when the opportunity to do so arises. VEDAVAAG GROUP directors, officers and employees are prohibited from taking (or directing a third party to take) a business opportunity that is discovered using VEDAVAAG GROUP corporate property, information or position, unless the VEDAVAAG GROUP has already been offered the opportunity and turned it down. More generally, VEDAVAAG GROUP directors, officers and employees are prohibited from using corporate property, information or position for personal gain and from competing with the VEDAVAAG GROUP.

5. Directorships

It is the policy of the VEDAVAAG GROUP to restrict the holding by VEDAVAAG GROUP directors, officers and employees of directorships in non-affiliated, for-profit organizations, and to prohibit the acceptance by any VEDAVAAG GROUP director, officer or employee of such directorships that would involve a conflict of interest with, or interfere with, the discharge of the duties of the VEDAVAAG GROUP director, officer or employee to the VEDAVAAG GROUP. All directorships in non-affiliated, for-profit organizations, by any VEDAVAAG GROUP director, officer or employee are subject to review and approval by the Board of Directors of VEDAVAAG Industries Limited.

VEDAVAAG GROUP directors, officers and employees may hold directorships in non-affiliated, for-profit organizations, unless such directorships would involve a conflict of interest with, or interfere with, the discharge of the duties of the VEDAVAAG GROUP director, officer or employee to the VEDAVAAG GROUP, or obligate the VEDAVAAG GROUP to provide support to the non-affiliated, for-profit organization.

However, the Independent Directors and Directors nominated by Banks and/or financial institutions may accept Directorships of other Companies without approval of the Board of Directors of Vedavaag Systems Limited as long as there is no conflict of interest.

VEDAVAAG GROUP directors, officers and employees may serve as directors of VEDAVAAG GROUP companies as part of their normal work assignments.

6. Protection and Proper use of Corporate Assets

a. Generally

It is the policy of the VEDAVAAG GROUP that all VEDAVAAG GROUP directors, officers and employees are expected to use VEDAVAAG GROUP assets efficiently to advance the interests of the VEDAVAAG GROUP and to protect them from theft, destruction, waste, loss or improper use. VEDAVAAG GROUP assets include tangible assets, such as production facilities, equipment, materials, tools, supplies, inventory, vehicles, and corporate records (in the form of paper or electronic files). VEDAVAAG GROUP assets also include intangible assets, such as patents, trademarks, process knowhow and confidential information of the

VEDAVAAG GROUP.

a. Confidential Information

Confidential information of the VEDAVAAG GROUP are important assets of the VEDAVAAG GROUP. Examples of confidential information include non-public information about the VEDAVAAG GROUP's plans, earnings, financial forecasts, business forecasts, business data, pricing information and research and development information. All VEDAVAAG GROUP directors, officers and employees must take appropriate steps to protect and maintain non-public VEDAVAAG GROUP information in confidence. Generally, VEDAVAAG GROUP directors, officers and employees should avoid discussing confidential VEDAVAAG GROUP information with anyone, including co-workers, unless it is necessary for a coworker to perform his or her job responsibilities. Under no circumstances should confidential VEDAVAAG GROUP information be disclosed to persons outside of the VEDAVAAG GROUP without proper authorization. In the limited instances where it may be permissible to disclose non-public information to someone outside of the VEDAVAAG GROUP, such disclosure may be made only after obtaining a commitment from such party that they will protect the confidentiality of the information.

b. Communications and Computer Systems and Equipment

The VEDAVAAG GROUP's various communications and information systems and equipment (including e-mail) represent a considerable commitment of the VEDAVAAG GROUP's resources and are to be used responsibly and legally. These systems are to be used primarily for facilitating the VEDAVAAG GROUP's business activities and in compliance with agreements that govern their use. VEDAVAAG GROUP employees may not use these systems to send, access or download vulgar, obscene or harassing communications, offensive or inappropriate material, confidential VEDAVAAG GROUP information (without proper authorization) and information or communications that violate the law. All communications and information created, transmitted, received or stored in these systems are the property of the VEDAVAAG GROUP. As such, VEDAVAAG GROUP employees should not consider any information created or disseminated using these systems to be private.

c. Corporate Records

The VEDAVAAG GROUP's corporate records are important assets of the VEDAVAAG GROUP and include everything a VEDAVAAG GROUP employee produces while performing his or her job responsibilities (in the form of paper or electronic files). Applicable laws require the VEDAVAAG GROUP to maintain certain types of corporate records for a specified period, and whenever litigation is threatened or pending against the VEDAVAAG GROUP, certain records may be required to be maintained for extended periods of time. All VEDAVAAG GROUP employees must be familiar with and follow applicable VEDAVAAG GROUP policies and procedures concerning corporate records retention.

7. Compliance with Laws, Rules and Regulations

a. Generally

It is the policy of the VEDAVAAG GROUP that that VEDAVAAG GROUP directors, officers, employees and third parties acting on behalf of the VEDAVVAG GROUP comply with all applicable laws, rules and regulations. It is the personal responsibility of each VEDAVAAG GROUP director, officer, employee and third party acting on behalf of the RAIN GROUP to adhere to the standards and restrictions imposed by such laws, rules and regulations.

b. Insider Trading

It is against the policy of the VEDAVAAG GROUP, and in many circumstances illegal, for a VEDAVAAG GROUP director, officer or employee to profit from undisclosed information relating to the VEDAVAAG GROUP. VEDAVAAG GROUP directors, officers and employees are prohibited from purchasing or selling any securities (e.g., shares of stock or bonds) of a VEDAVAAG GROUP company while in possession of material non-public information relating to the VEDAVAAG GROUP. In addition, VEDAVAAG GROUP directors, officers and employees are prohibited from purchasing or selling securities of other companies while in possession of material non-public information about those companies gained through their work with the VEDAVAAG GROUP (e.g., material non-public information relating to customers or suppliers of the VEDAVAAG GROUP). Furthermore, VEDAVAAG GROUP directors, officers and employees in possession of material non-public information relating to the VEDAVAAG GROUP, or of material non-public information about other companies gained through their work with the VEDAVAAG GROUP, are prohibited from providing other people with such information or recommending to other people that they buy or sell any securities of the VEDAVAAG GROUP or such other companies.

For purposes of this policy, information is deemed “material” if it would be considered important by a reasonable investor in deciding whether to buy or sell securities. For example, it is likely that the following information, in most circumstances, would be deemed material:

- (i) annual or quarterly financial results;
- (ii) a significant change in earnings or earnings projections;
- (iii) unusual gains or losses in major operations;
- (iv) negotiations and agreements regarding significant acquisitions, divestitures or business combinations;
- (v) payments of dividends to shareholders of Vedavaag Systems Limited; and
- (vi) significant changes in VEDAVAAG GROUP management.

It is the duty of all VEDAVAAG GROUP directors, officers and employees to be familiar with applicable VEDAVAAG GROUP policies related to insider trading and to adhere to these VEDAVAAG GROUP policies.

c. Anti-Bribery and Anti-Corruption

Nearly all countries in the world have laws that prohibit the making of bribes to public officials. In addition, the laws of many countries in which the VEDAVAAG GROUP does business bar the payment or offering of anything of value to officials or politicians of governments and others to obtain or retain business. It is the policy of the VEDAVAAG GROUP that that VEDAVAAG GROUP directors, officers, employees and third parties acting on behalf of the VEDAVAAG GROUP are prohibited from offering or paying, directly or indirectly, any bribe to any employee, official or agent of any government, commercial entity or individual in connection with the business or activities of the VEDAVAAG GROUP. A bribe for these purposes is any money, goods, services or anything of value offered or given with the intent to gain an improper advantage for the VEDAVAAG GROUP. It is the duty of all VEDAVAAG GROUP employees involved in any business transactions to be familiar with the anti-bribery and anti-corruption laws in the countries in which they do business on behalf of the VEDAVAAG GROUP, as well as the applicable VEDAVAAG GROUP policies related to anti-bribery and anti-corruption, and to adhere to these laws and VEDAVAAG GROUP policies.