

Code of conduct

This Code of Conduct (COC) has been laid down for guiding the conduct of the Board of Directors and the Senior Management team (hereinafter called "the Officials") of Alfa Laval (India) Limited ("Alfa Laval"). The Senior Management team for this purpose shall comprise all Senior Managers who are reporting directly to the Executive Directors.

This COC brings together in one document their obligations and responsibilities and defines the way of conduct of business in the competitive environment and in the wake of fast changing legislations.

This COC recognizes and is complementary to the Alfa Laval Group Business Principles.

This also aims to facilitate as a guidance to whom this COC is addressed. No manager or employee will be criticized for any loss of business resulting from adherence to this Code of Conduct.

The Management shall ensure that procedures are put in place to enable the Officials of Alfa Laval to whom this COC is addressed to seek guidance on this COC and to report any violation of this COC in confidence. Any employee of Alfa Laval reporting in good faith any violation of this COC will not suffer as a consequence of bringing to their attention a breach or a suspected breach of this COC.

1. ENVIRONMENT

Alfa Laval shall always endeavour to perform its operations in a clean and efficient manner by taking into consideration all environmental regulations and aspects in letter and spirit when manufacturing and servicing its products.

2. CONDUCT OF BUSINESS

a) Alfa Laval shall conduct its business with integrity, honesty and respect for the people with whom it shall deal with.

b) Alfa Laval shall be committed to offer to its customers products and services which consistently offer value for money in terms of price and quality. Alfa Laval shall vigorously compete for business but shall neither seek any business by illegal means nor knowingly sell its products for illegal purposes.

3. COMPLIANCE

a) Alfa Laval shall while closely following the policies of the Government relevant to its business, duly comply with the laws, rules and regulations and also be aware of the continuous development of international regulations that are relevant to its business.

b) Every Official of Alfa Laval shall, in his or her functions, comply with all applicable laws and regulations, in all the territories in which he or she operates. If there is a doubt, then the issue would be referred to the Management and thereafter the conduct of the Official would be guided by the directions he receives from the Management.

4. CONFLICT OF INTEREST

a) Officials of Alfa Laval shall not be engaged or interested either directly or indirectly in any other trade, business or occupation or activity or concurrent employment which might conflict with the interests of Alfa Laval.

b) Officials of Alfa Laval shall not enter into any situation in which their personal or financial interests may conflict with those of Alfa Laval.

c) It shall be mandatory for every Official of Alfa Laval covered by this COC to make a full disclosure, in writing to the Managing Director or to a designated person, of any interest that he or his family may have in a company, firm or any concern which has business dealings with Alfa Laval. In the event of the Management of Alfa Laval foreseeing any conflict of interests, the Official concerned shall be advised to take corrective action. For the purposes of this COC, family shall mean and include the Official's:-

- Husband/wife
- father
- mother
- Brothers
- sisters
- son(including step son)
- daughter (including step daughter)
- son-in-law
- daughter-in-law

d) Any non-disclosure of potential conflict of interest shall be viewed seriously and suitable disciplinary action shall be considered.

5. POLITICAL CONTRIBUTIONS

Alfa Laval shall neither directly or indirectly support any political party nor shall make any contributions to the political parties or any political candidates or public officials for any political or public office. Alfa Laval shall also not take part in any political activity or in a referendum campaign.

6. BUSINESS ETHICS

Alfa Laval shall conduct its business operations on merits and quality of its products and services in a proper manner and the conduct of business shall generally be in compliance with Alfa Laval Group Business Principles.

7. EMPLOYEES

a) Alfa Laval recognizes that its employees are key to its success. Alfa Laval is, therefore, committed to providing a good working environment in which there is mutual trust and respect among its employees and a sense of responsibility for the performance, reputation and image of Alfa Laval.

b) Alfa Laval shall strive on a continuous basis for development of its employees' competence and flexibility.

c) Alfa Laval shall not resort to any human rights violation or abuse in the course of its operations and maintain its work place free of sexual harassment in all forms. There shall be no direct or indirect discrimination on the grounds of any caste, religion, sex., race, colour, political opinion, national extraction or social origin.

d) Alfa Laval shall not use forced labour and/or child labour for any of its work and shall ensure the same from its contractors.

e) Alfa Laval shall duly and respectfully deal with the Staff and Workers' Unions while protecting Alfa Laval's interests.

f) Alfa Laval shall strictly follow the regulations relating to employment of labour, safety, health and environment in its work place and shall work towards eliminating direct and indirect discrimination in respect of employment.

g) Alfa Laval expects its Officials/employees to work with honesty, integrity and with respect for others and shall project a sense of professionalism and high standards while dealing on behalf of Alfa Laval.

h) The Officials/employees shall not utilize the assets of Alfa Laval, whether tangible or intangible, employed for the purpose of conducting and developing its business in a manner prejudicial to Alfa Laval's interests. Any instance fraud involving the assets of Alfa Laval shall be viewed seriously and the concerned Official/employee may not only face dismissal but also appropriate legal action.

8. ACCOUNTS AND REPORTING

a) Alfa Laval shall prepare and maintain its accounts fairly and accurately in accordance with the generally accepted accounting principles and standards and in compliance with the relevant laws and regulations so that

they are suitable for external and independent verification also. The accounting records shall properly describe and reflect the nature of the underlying transactions.

b) Alfa Laval is committed to making timely and accurate disclosure on all material aspects of its business to its shareholders and the regulatory authorities and also provide access to other authorized parties and government agencies save and except for such information that is confidential in nature and commercially valuable. In this behalf, only the Chairman, Managing Director and Director-Finance shall make statements on Alfa Laval's financial performance and the material aspects of business of Alfa Laval to the analysts, journalists, news agencies etc.

c) Alfa Laval shall also ensure that any information impacting its share price shall be disclosed in strict compliance with the regulations governing such information.

d) No undisclosed or unrecorded account, fund or asset will be established or maintained.

9. SHAREHOLDERS

a) Alfa Laval shall deal with its shareholders in a courteous manner. While the information publicly available can be freely shared with any shareholder upon enquiry, the shareholders seeking any specific information will be referred to any of Alfa Laval's authorized spokesmen as above or the Company Secretary for information or redressal of difficulties.

b) Alfa Laval is also committed to safeguarding the interests of its shareholders through prompt action while dealing with the documents relating to their shareholding in Alfa Laval.

10. DEALING IN SHARES OF ALFA LAVAL

a) Officials of Alfa Laval shall desist from dealing in the shares of Alfa Laval at any time when they are in possession of unpublished price sensitive information by virtue of their position as an Official of Alfa Laval.

b) The Officials shall also not pass on any unpublished price sensitive information of Alfa Laval to any other person for deriving undue benefits.

c) Unpublished price sensitive information shall mean:-

- periodical financial results of Alfa Laval;
- intended declaration of dividend (both interim and final);
- issue of new/bonus securities or buy-back of securities;
- any major expansion plans or execution of new projects;
- amalgamations, mergers or takeovers;
- disposal of the whole or substantial part of the undertaking;
- any significant changes in policies, plans or operations of Alfa Laval.

d) In this behalf the Officials of Alfa Laval shall also adhere to the Code of Conduct for prevention of insider trading framed by Alfa Laval. Any violation of the Code shall be dealt in the manner provided in the relevant Code of Conduct.

11. OBSERVANCE OF THIS COC

a) It is imperative that the Officials of Alfa Laval follow this COC. Violation of this COC could cause a significant liability not only for the Official concerned but also for the Company and its Directors.

b) Alfa Laval shall take appropriate action against any of its Official/employee found to be violating the principles and policies of this COC.