

CODE OF CONDUCT

OBJECTIVE:

This Code of Conduct provides ethical guidelines and expectations for conducting business on behalf of Yuken India Limited (the Company / YIL) which expression shall include its subsidiaries and associate companies. The Code of Conduct is not intended to create any express or implied contract with any employee / third party.

APPLICABILITY:

This Code of Conduct applies to the following personnel, who shall abide by the Company's rules and are expected to conduct themselves in a legal and ethical manner, when working for YIL:

1. the Board of Directors,
2. Senior Management Personnel,
3. Heads of all the Departments,
4. Subsidiaries and Associate Companies, and

Third Parties viz., Suppliers, Service Providers, External Professionals, Agents, Distributors and Dealers etc., shall also comply with the Company's Code of Conduct when dealing with the Company.

COMPANY'S PROPERTY & CONFIDENTIALITY OF INFORMATION:

The Company's physical resources, properties should be made use of and safeguarded in a proper manner. Trade secrets, proprietary and confidential information should be safeguarded in the same manner in which the Company's assets are protected. Such information should not be disclosed to any third party, unless it is required to do so under a relevant statute.

INSIDER TRADING REGULATIONS:

All the relevant laws, rules and regulations pertaining to prevention of insider trading should be complied with. Accordingly,

- a. Information on holding of the Company's securities should be disclosed from time to time,
- b. Any intended sale or purchase of the Company's securities should be informed to the Company Secretary, and
- c. Unpublished price sensitive information should be safeguarded and should not be misused in any manner whatsoever.

For further details about prevention of insider trading, please refer to "Insider Trading Policy", which is available on the Company's website at <http://www.yukenindia.com/corporate-governance-and-code-of-conduct/>.

INTERNATIONAL OPERATIONS:

All the relevant laws and legal requirements of India and foreign countries pertaining to international business operations should be complied with wherever required from time to time.

BOOKS AND RECORDS:

The Company has adopted Accounting Practices and Procedures in accordance with internal needs, and the requirements of applicable laws and regulations. These established accounting practices and procedures must be followed to assure complete and accurate recording of all transactions. Appropriate internal controls should be established and implemented in all the relevant areas to ensure safeguarding of the assets of the Company and the accuracy of its financial records and reports.

COMPANY POLICIES:

Policies and procedures laid down by the Company either voluntarily or in compliance of any applicable laws, should be adhered to.

SOLICITATIONS:

The Company's infrastructure and / or facilities shall not be used to solicit for religious or political causes, commercial enterprises, outside organizations, or other activities not related to the Company.

CORPORATE SOCIAL RESPONSIBILITY:

All the concerned personnel shall uphold and commit themselves to:

- (a) reduce waste, and wherever such waste is inevitable, to implement an effective recycling and other responsible methods of waste management;
- (b) to improve and invest in innovations that protect the environment; and
- (c) to wholly co-operate in proposals of the Government – Central or State, in various activities concerning social cause.

VIGIL MECHANISM:

We have established a vigil mechanism for Directors and employees to report genuine concerns, if any, about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct.

For further details, please refer to Whistle Blower Policy available on the Company's website: <http://www.yukenindia.com/corporate-governance-and-code-of-conduct/>.

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 at the expense of the Company;
- c. strive to attend all meetings of the Board of Directors and of the Board committees of which they are members;

- 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. where they have concerns about the running of the Company or a proposed action, ensure that these 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 to 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 behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- l. acting within his 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.

CONFLICT OF INTEREST:

The Company expects all the concerned personnel to perform their work with honesty, truthfulness and integrity. Any situation where individual interests clash with the interests of the Company, should be avoided.

AMENDMENTS:

The Board of Directors of YIL has the exclusive responsibility for the final interpretation of the Code of Conduct. This Code of Conduct may be revised / amended from time to time by the Board of Directors of YIL.

NON-COMPLIANCE:

Any non-compliance or suspected violation of this code shall be reported to the Managing Director or to the Audit Committee who shall take appropriate action.