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Code of Conduct for Thermax Employees	Policy Main Section: Company Values and Guiding Principles
<p>Preamble:</p> <p>Incorporated in 1966 as Wanson (India) Pvt. Ltd., Thermax has grown as a vibrant multi-divisional company with customers in India and global markets. This institution has been built painstakingly by its pioneers, management personnel and employees over the years. The essential aspects of our legacy had been captured by a memorable letter written to the new recruits by A.S. Bhathena, the Founder – Chairman and Managing Director of Wanson. Excerpts from that letter remind us of the humane vision that has guided this company:</p> <p>“This being a human enterprise and therefore fragile, it is imperative that we handle it with great care. We generally trust people and like to be trusted; playing the role of the policeman is distasteful to us. Delegation of authority is what we encourage. We like to work in freedom in ‘the belief that you would enjoy doing your work in such an atmosphere’ and would like to be trusted with the responsibilities. In such an environment, your contribution is likely to be the maximum and making a living would be incidental.</p> <p>You will therefore see in Wanson (India) an absence of authoritarian rule long drawn, printed manuals. Incidentally, may I suggest you use your freedom with great finesse, so that eventually you become more conscious of your responsibilities than your rights?”</p> <p>Rohinton Aga, who succeeded Mr. Bhathena and established Thermax as an innovative and respected company expanded this focus on individual responsibility. He linked the company to the wider universe of stakeholders when he maintained that “Profit is not only a set of figures, but of values”.</p> <p>With this context, we urge each of our directors, employees and external partners to read through the Code of Conduct, and think through each sentence before you commit to it with your acceptance. It is imperative that each of us follow this code both in letter and spirit. Though playing the role of a policeman is not what we are here for, the consequences of any misuse of the freedom this organisation provides should be clear to all of us. As we know, Thermax is “a globally respected, high performance organisation, offering sustainable solutions in energy and the environment.” Global reputation demands careful and precise use of our words and backing those words with appropriate action.</p>	

Coverage:

All directors and employees including fixed-term-contract (FTC) employees of Thermax Limited and group companies shall abide by the Code of Conduct. It shall also be applicable to all external partners – consultants, distributors, channel partners, retainers, vendors, sub-contractors, contractors and service providers including any other individual or organisation working for Thermax (at any of its establishments or site premises).

1. Responsible Conduct

The company's management practices and business conduct shall be in accordance with the laws of the countries in which it operates. In the course of its business activities, the company – its directors, employees and external partners – shall respect the culture, customs and traditions of each region and country in which it operates. While working overseas, Thermax employees will observe the laws of the respective countries.

Independent directors shall also abide by Schedule IV of the Indian Companies Act, 2013 and the applicable Securities and Exchange Board of India (SEBI) regulations.

2. Honest and Ethical Conduct

We urge people to practice the highest standards of personal and professional integrity, honesty and ethical conduct at all times. Additionally, when working at client's premises or sites, we also will adhere to the clients' code of conduct.

3. Public and Social Behaviour

Directors, employees and external partners are expected to conduct themselves in a manner befitting the company's image at all times. Employees must maintain sobriety and dignified social behaviour. Any behaviour contrary to the company's Code of Conduct will invite appropriate action.

4. Confidentiality and Integrity

Directors, employees and external partners shall ensure at all times the integrity of data or information furnished to the company.

They will not, at any time, without the explicit consent of the Business Unit Head, disclose, divulge, or make public, except under legal obligation, any information regarding the company's affairs or proprietary knowledge regardless of the manner in which they received or obtained it. All confidential information must be shared under the proper authorisation of the SBU/ BU Head and with discretion ensuring that it does not go against the interests of the company. Such information should not be used for one's personal advantage.

Confidential information will include such information drawn from technical data, design drawings, business models, source code information, intellectual property, trade secrets, information technology, financials, manuals, instructions, catalogues, booklets, data discs, tapes, cards and flowcharts or other information or formulae belonging to the company which by its nature or circumstance is confidential. Confidential information shall also include the company's sales practices, strategic information, marketing plans, internal sales processes, departmental manuals, trade secrets, product manuals, MIS, training material, etc.

Information received from customers, collaborators, clients, associates, vendors and other stakeholders under a secrecy agreement is also included as confidential information. All information relating to the products and projects of the company and its business dealings are to be considered as trade secrets of the company.

It is also expected that directors, employees and external partners will not carry any confidential data outside the premises in soft or hard copies unless it is absolutely necessary for conducting the company's business. If taken out, due care must be taken to protect such data from any unauthorised use.

Discussions on confidential matters in public and open places such as elevators, airports, restaurants, washrooms etc. should be avoided.

Employees shall not use any proprietary information or trade secrets of any former employer, other person or entity in the course of performing their duty for the company.

5. Equal Opportunity Workplace - Free from Discrimination or Harassment

Our policies on people promote diversity and equality at the workplace. Thermax is an equal opportunity employer and recruitment will be on the basis of merit alone. The company will not be influenced by factors of religion, caste, colour, gender, marital status and sexual orientation. Career advancement and performance assessment will be devoid of any such bias and based on merit alone.

The behaviour of employees and external partners at the workplace must uphold the dignity of other co-workers. They are expected to demonstrate the highest professional standards and should not indulge in, abet or be a silent witness to any act of harassment, physical, visual, behavioural or verbal.

The company supports and respects the protection of human and labour rights as defined in the relevant laws of the countries in which it operates. It prohibits the use of forced labour or child labour.

The policy on sexual harassment covers the process for reporting and redressal of complaints.

6. Health, Safety and Environment

The company strives to provide a hazard-free, healthy and clean workplace. It shall conduct business in a responsible manner and commit to comply with environmental laws, regulations and standards including site operations. The company and its employees will incorporate energy-efficient and environment-friendly measures as an integral part of the design, production, operation and maintenance of its products and facilities. We request all employees to incorporate conservation as a mindset by consuming as little as possible of all resources.

7. Alcohol, Tobacco and Drug Abuse

Possessing, using or being under the influence of illegal drugs and psychotropic substances while at work is prohibited.

Consumption of alcohol within office premises or place of work and during working hours is prohibited.

Chewing of tobacco, gutka, pan masala and smoking cigarettes/bidis within office premises or place of work is prohibited. It is expected that even outside the organisation, directors, employees and external partners conduct themselves responsibly.

8. Outside Employment

An employee shall not, without prior approval (in writing) of the managing director of the company, accept part-time / full-time employment or a position of responsibility (such as a consultant or a director) with any other organisation, for remuneration or otherwise. In the case of a full-time director or the managing director, prior approval must be obtained from the Board of Directors of the company.

An employee may take up the position of office bearer of a professional body, give talks at programmes, teach at educational institutes, or publish a book or a paper after informing his/her SBU head. It is expected that the employees conduct such activities at their own time and with their own resources. Further, such activity should not result in the employee divulging the company's proprietary information or neglecting their professional duties to the company.

9. Conflict of Interest

Employees and external partners shall not engage in any business, relationship or activity, that might conflict with the interest of the company. A conflict of interest, actual or potential, may arise when, directly or indirectly an employee engages in a business activity with anyone who is party to any transaction with the company. No business activity under the name of a close family member or with a business partner of any close family member should be started where the employee can directly or indirectly influence a decision in this regard. Also, the employee must adhere to the process of prior declaration if his/her relative/friend is engaged in a

business activity with the company.

Employees and external partners will ensure that their dealings and relationships with business associates and customers are maintained in the best interests of the company and are professionally and commercially appropriate. Employees should not seek or accept any favour from customers, business associates or vendors.

The main areas of such actual or potential conflict of interest will include the following:

- Financial interest of an employee/external partners or their close family including the holdings of an investment in the subscribed share capital of any company or a share in any firm that is an actual or potential competitor, supplier, customer, distributor, joint venture or other alliance partner of the company. (The ownership of up to 2% of the subscribed share capital of a publicly held company shall not ordinarily constitute a financial interest for this purpose.)
- Recruitment by an employee of his/ her relative or promotion or award of benefits like an increase in salary or other remuneration or posting at a desired location.

In such situations as mentioned above, the employee should make disclosures in writing about the nature of such relationship to HR and the functional head. In such cases, the employee should not in any manner, directly or indirectly, influence or participate in decision making.

10. Gifts/Events/Hospitality and Donations

Gifts and hospitality include all business-related benefits such as gifts, entertainment, payment of travel and lodging expenses, trade fair tickets or other contributions without consideration.

Providing or accepting gifts and entertainment could provide a signal of inappropriateness or even be considered corruption. To minimise risks for employees and the organisation, certain principles and requirements must be followed by every employee while offering or accepting benefits:

Mandatory principles – Gifts and entertainment must

- Not be offered, provided, demanded, or accepted with the expectation of any type of advantage
- Never give the appearance of dishonesty or inappropriateness
- Be in accordance with applicable laws of the country, especially towards government officials
- Be appropriate in terms of type, value, and frequency to the occasion and the position of the recipient
- Be provided or received in a transparent manner and accurately recorded in the financial books and records

The company and its employees shall neither receive nor offer or give gifts, vouchers, donations or comparable benefits that are intended or perceived, to obtain undue favours for the conduct of business.

However, they may, with full disclosure, accept and offer nominal gifts, provided such gifts are customarily given and/or are of a commemorative nature. An employee may accept nominal gifts such as sweets, diaries, small mementoes or gifts given at functions/visits/festivities provided the value does not exceed Rs. 3000/-.

Employees are not permitted to use their jobs / position to demand, accept, obtain or be promised benefits or advantages from any person/vendors

Receiving gifts and hospitality shall not be circumvented directly or indirectly by accepting gifts, benefits like travel / boarding or entertainment, etc. through a third person, close family member, etc.

11. Anti-Corruption and Prohibition of Bribery

The company values honesty, integrity and fair dealing and this is part of its culture and ethos. Our employees and external partners are expected to comply with the applicable laws including laws prohibiting bribery and corruption in all countries to which they travel, in which they operate and where the company does business. The company shall cooperate with government authorities in efforts to eliminate all forms of bribery, fraud and corruption.

It strictly prohibits bribery, directly or indirectly, in any form, and renders illegal, any corrupt offer, payment, promise to pay, or authorisation to pay any money, gift, or anything of value to any official for the purpose of influencing any act or decision he/she is required to take in their official capacity, inducing the official to do or omit to do any act in violation of his/her lawful duty, securing any improper advantage or inducing the official to influence a decision. No employee and/or external partner shall make, authorise, abet or collude in an improper payment, unlawful commission or bribe. Directors and employees will not extract any benefit from the company for their personal gains.

12. Competition

Thermax shall fully support the development and operation of competitive open markets. The company and its employees shall not engage in restrictive trade practices, abuse of market dominance or similar unfair trade practices. It is committed to fair competition in compliance with the laws of the land. The company will not indulge in unfair practices such as agreements with competitors in mutual understanding, to control prices, boycott certain suppliers or customers, or allocate products, territories or markets.

13. Protecting the Company's Assets

Protecting the company's assets is a key responsibility of directors, employees and external partners. Its assets shall not be misused and they must be safeguarded against loss, damage, misuse or theft. The assets include tangible ones like machinery, computers, facilities etc. and intangible assets like information technology and systems, trade secrets, intellectual property etc.

14. Software and Systems Usage

Employees shall use only licensed or self-developed software provided by the company. Employees must use electronic communication facilities and devices like video conferencing, file transfer protocol (FTP), internet usage, data card, and telephones for official purposes only.

Employees should refrain from sharing system passwords while using software systems. Accessing the system with the login ID and password of another person is considered fraudulent and strictly prohibited.

The company subscribes to many software, publications and online reference magazines etc. which are covered by copyright laws. Employees should refrain from any unauthorised copying or distribution of such material.

15. Maintaining and Managing Records

The company shall establish systems for storage, retrieval and dissemination of documents both in physical and electronic form. Employees shall follow these systems, processes and policies laid down by the company.

16. Financial Reporting and Accounting Requirements

The company shall prepare and maintain its accounts in a fair and accurate manner and also in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the company conducts its business affairs.

Internal accounting and audit procedures shall reflect, fair and accurate business transactions and disposition of assets with required internal controls to provide assurance to the company's board and shareholders that the transactions are accurate and legitimate.

All required information shall be accessible to company auditors and other authorised parties and government agencies. There shall be no wilful omissions of any company transactions from the books and records.

17. Accuracy of Records and Reports

Regardless of whether directors, employees and external partners are required to be familiar with finance or accounting matters, they shall use all reasonable efforts to ensure that every business record or report with which they deal is accurate, complete and reliable.

Reporting of compliances on any platforms including compliance reporting in the Legatrix system needs to be correct and accurate. Any incorrect reporting of compliance will attract strict action.

18. Expense Claims

All business-related expense claims must be authorised as per the levels of authority and in accordance with the HR policies. Employees must ensure that reimbursement claims are made as per policy and that the expenses are solely intended for the company's purpose.

All entitlements permitted under the company's policy are expected to be used with a sense of responsibility and not as a matter of right.

19. Regulatory Compliance and Disclosures

The company will make full, fair, accurate, timely and clear disclosures in reports and documents that are filed for regulatory compliance to the government agencies and trade bodies like SEBI, Stock Exchanges, Provident Fund Authorities etc. The company will ensure that the information provided is correct and accurate to the extent it is reasonably possible and meets the requirements of law.

Employees, in their business conduct, will seek to comply with all applicable laws, regulations, confidentiality obligations and corporate policies of the company in all the territories in which they operate.

20. Securities Transactions and Confidential Information

Directors, employees and external partners of the company and their immediate close family shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about it or the group which is not in the public domain and thus constitutes 'insider information'.

They shall not use or proliferate information that is not available to the investing public and which therefore constitutes 'insider information', for making or giving advice on investment decisions on the securities of the company and its affiliates, on which such 'insider information' has been obtained.

Such 'insider information' may include but is not limited to the following:

- Acquisition and divestiture of businesses or business units
- Financial information such as order booking, profits, earnings and dividends
- Announcement of new product introductions or developments
- Asset revaluations
- Investment decisions/plans
- Major supply and delivery agreements
- Raising finances

Directors, employees and external partners shall also respect and observe the confidentiality of information pertaining to other companies, their patents, intellectual property rights, trademarks and inventions; and strictly observe the practice of non-disclosure.

They shall comply with the company's code for 'Prevention of Insider Trading'.

21. Public and Third Party Representation

All external partners, such as consultants, retainers, agents, sales representatives, distributors, channel partners, contractors and suppliers, who have business dealings with the company cannot represent without the written permission of the company. If and when that representation ceases to exist, all visiting cards, letterheads, and confidential information (both soft and hard copies) will be handed over to the company.

Contractors/vendors and their employees are expected to abide by the company's Code of Conduct in their interaction with and on behalf of the company. They are encouraged to sign a non-disclosure agreement to support the confidentiality of information.

The company shall authorise specific personnel to represent it in any public appearance for disclosing company and business information to public constituencies such as the media, financial community, shareholders, agents, franchisees, dealers, distributors, and importers, etc. It shall be the sole responsibility of such authorised personnel to disclose relevant information about the company or the group.

22. Contributions to Government Agencies

The company and its employees shall not, unless mandated under applicable laws, offer or give any company funds or facilities or property as donations to any government agency or its representative, directly or through intermediaries, in order to obtain any favourable performance of official duties. It shall comply with government procurement regulations and shall be transparent in all its dealings with government agencies.

23. Political Non-Alignment

The company shall not support any specific political party or candidate for political office. The company's conduct shall preclude any activity that could be interpreted as mutual dependence / favour with any political body or person, and, it shall not offer or give any company funds or facilities, property as donations or for use to any political party, candidate or campaign.

24. Reporting Violations

Directors, employees and external partners are under an obligation to report to the management any incidents or acts which are potentially harmful to the reputation and the business interest of the company, whenever they come to know of the same. The company shall have the primary responsibility for the implementation of internal controls to deter and detect fraud. It will have no tolerance for personal commission or concealment of fraud or illegal acts.

Any employee or external partner can choose to make a protected disclosure under the whistleblower policy of the company. Thermax shall ensure protection to the whistleblower and any attempts to intimidate him/her would be treated as a violation of the Code.

Every director, employee and external partner shall be responsible for adherence to the Code of Conduct. Failure to adhere to the Code could attract the most severe consequences including termination of employment or contract and disqualification for appointment/re-appointment as director.

Every director, employee and external partner has a responsibility to promptly report to the management, any actual or possible violation of the Code or an event he/she becomes aware of, that could affect the business or reputation of the company.

- **Please note: Close family – family defined as per the Company's Act**