

ELGI BUSINESS CONDUCT CODE FOR VENDORS



OBJECTIVES

ELGi's Suppliers / Service providers/ Contractors/Consultants (referred to as "Suppliers") are an integral part of the ecosystem of ELGi and its subsidiaries/affiliates/joint ventures (collectively referred to as "ELGi"). Suppliers play a very important role in ELGi's business. Therefore, there is a need for following ethical business practices to maintain ELGi's and Suppliers' standing in the market and maintaining the reputation of the Supplier and ELGi.

This ELGi Supplier Business Conduct Code For Vendors ("Code") sets forth the ground rules for Suppliers and expectations of ELGi, for doing business with ELGi. ELGi is committed to doing business with those Suppliers who conduct business in a legitimate and ethical manner and with a high degree of integrity and professionalism.

This Code shall be read and construed as part of the Supply/Services agreement / Purchase Order between ELGi and Suppliers.

All ELGi Suppliers are expected to strictly abide by this Code.

THE CODE OF CONDUCT

SUPPLIERS' FUNDAMENTAL BUSINESS ETHICS

Suppliers have to assist ELGi in maintaining the same ethical standards that ELGi practises currently.

ELGi will do business only with those Suppliers who demonstrate high standards of business conduct. Suppliers who violate this Code or ELGi employees who violate the Business Conduct Code as applicable to them will be subject to blacklisting, including the possible termination of contracts.

Supplier acknowledges and agrees that, once they are discovered to violate any rules set out in this Code, ELGi shall, apart from its right of termination of the contract, reserves its rights for any further claims against the Supplier for any economic losses suffered or loss in reputation to ELGi resulting from such violation of this Code.

Supplier shall not take any action which places, or is likely to place ELGi and its subsidiaries and affiliates in violation of laws or which could be detrimental to reputation and / or the business interests of ELGi and its subsidiaries and affiliates. Supplier shall not either directly or indirectly take any action, make any offers or representations, enter into any agreements (oral or written) with any third party on behalf of ELGi and its subsidiaries and affiliates without prior written approval from ELGi and its subsidiaries and affiliates.

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Supplier shall disclose promptly to ELGi if they have an existing or propose any commercial relationship with ELGi's competitors. Suppliers shall also not share or disclose any of ELGi's confidential information with ELGi's competitors, whether such competitors are being served by the Supplier or not.

ANTICORRUPTION

ELGi and its subsidiaries and affiliates expressly prohibit financial or other advantages directly or indirectly including payment of bribes or any facilitation money or grease payments in connection with its business operations by any Supplier, engaged to provide goods and / or services to ELGi and its subsidiaries and affiliates and / or its clients. Supplier agrees not to indulge in any of the foregoing activities. Strict Compliance by Suppliers with relevant anti-corruption laws is vital for ELGi as ELGi operates in a multi country environment. Suppliers have an obligation to learn and abide by these laws.

CONFLICTS OF INTEREST

Suppliers shall bear in mind potential or actual Conflicts of Interest prior to negotiating any business with ELGi. Conflict of interest must be avoided for it influences ELGi employees' loyalty to ELGi and their abilities to make objective decisions. A conflict of interest can result from a relationship between an employee with the Suppliers, their family members, or even the Suppliers' friend. Presence of such a conflict may trigger suspicion about Suppliers' integrity and cause damage to the reputation of ELGi.

ELGi requests all the Suppliers to refrain from any potential conflict of interests. Without written approval by ELGi's management, Suppliers shall not employ ELGi's current employees or their relatives to work for them, neither shall Suppliers permit ELGi current employees and their relatives hold their stocks, investment or other direct or indirect financial interests in the Suppliers.

RELATIONSHIP WITH ELGI'S EMPLOYEES

Supplier shall not enter into a financial or any other dealings with any ELGi's employee that creates any actual or potential conflict of interest for ELGi. The Supplier is expected to report to the ELGi, any situation where a ELGi employee may have an interest of any kind in the Supplier's business or demanded or received any kind of economic ties with the Supplier.

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HUMAN RIGHTS

The ELGi values diversity, equality of opportunity and fair treatment. Supplier should respect every individual's human rights and do not discriminate on the basis of race, color, gender, sexual orientation, gender identity, religion, political opinion, nationality, social origin and status, indigenous status, disability, age or any other personal characteristic or status. Supplier shall not tolerate disrespectful or inappropriate behavior, harassment, intimidation or unfair treatment, or retaliation of any kind by its employees. This includes the use of corporal punishment, threats of violence or other forms of coercion, public punishment or any other forms of physical, verbal or psychological abuse. Supplier should offer various safeguards to their employees, suppliers, business partners, customers and consumers and maintain them with respect for their privacy and dignity.

WORKPLACE ETHICS

The Supplier shall not employ individuals under the age of 18 years. The Supplier shall forbid the use of all forms of force in the workplace. Further, the Supplier shall prohibit child, adolescent, bonded or compulsory labor, including any form of human trafficking. Supplier shall compensate its employees in relation to the industry and local labor markets, and comply with relevant wage, work hours, overtime and benefits laws or prevailing industry standards. Employment relationship with the Supplier and its employee should be based on equality, fair wages/compensation. There should be no forced/bonded/compulsory labor under any circumstances. The Supplier respect their employees' right to freedom of association and collective bargaining and ensure that they can choose do so without fear of reprisal, intimidation or harassment.

GIFTS AND ENTERTAINMENT

ELGi adheres to a strict policy on gifts. Gifts or entertainment should not influence the selection of and interaction with Suppliers. ELGi employees cannot accept any discount benefitting them personally, overly generous gift or any other benefits of significant value. Commercial gifts of little value may be acceptable, such as the promotional gifts bearing the logo of Supplier ELGi, however no articles which may influence the judgment of ELGi employee is acceptable. ELGi may accept the entertainment which is reasonable in business and will promote the interests of both companies, for instance, working dinner is acceptable in most events, however, the entertainment which is excessive or frequent and any trip which is not approved by the concerned ELGi employee's superiors is not acceptable, since they are believed to influence the independent judgment of ELGi employees. Supplier is encouraged to seek for a copy of ELGi's policy on gifts from ELGi or its employees who they deal with.

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SECURITY OF SUPPLIERS' PERSONS AND INFORMATION

All Suppliers, when they are on ELGi premises, shall comply with the site safety rules and the instructions of ELGi's site safety leader, and report any potential hazards discovered.

ELGi expects that all Supplier computers or computer systems that interact with the ELGi computer network contain the necessary security firewalls and do not contain any computer viruses that may damage ELGi computer systems.

COMMUNICATION

Suppliers may not solicit anti-competitive information from ELGi employees in such a way that creates an unfair advantage over other Suppliers.

General marketing or promotional solicitation or communication (flyers, promotional material, etc.) on ELGi's premises are prohibited.

INTELLECTUAL PROPERTY

The Supplier shall take appropriate steps to safeguard and not infringe any of the ELGi's intellectual property/ technology which come to its knowledge during the course of its business relationship/ dealings with the ELGi.

THIRD PARTY REPRESENTATION

The Supplier is not authorized to represent the ELGi or to use the ELGi's brands without the written permission of the ELGi. The Supplier and its employees who are authorized to represent the ELGi are expected to abide by the ELGi's Code of Conduct in their interaction with, and on behalf of the ELGi including maintaining the confidentiality of information shared with them. The Supplier shall not act on behalf of the ELGi or have interactions with Government Officials on [ELGi's] behalf as its agent, representative, or otherwise, except to the extent necessary for the Supplier to provide services under its Agreement with the ELGi in which case, the Supplier shall (a) provide services consistent with the services requested; and (b) comply with all other Requirements.

REPORTING OF UNETHICAL PRACTICES AND GRIEVANCE ADDRESSAL MECHANISM

The Supplier shall ensure that an effective grievance procedure has been established to ensure that any worker/ employee, acting individually or with other workers, can submit a grievance without suffering any retaliation of any kind. Suppliers shall also forthwith report any unethical activity or discrimination if practiced by any of ELGi's employee/other Supplier. Suppliers can report unethical practices and grievances through the ELGi's whistle blower policy which is available on the ELGi's website.

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UNFAIR TRADE PRACTICES

Supplier shall not knowingly indulge in any unfair, anti-competitive or restrictive trade practices.

HEALTH, SAFETY & ENVIRONMENTAL SUSTAINABILITY

Supplier shall provide its employees with a safe and healthy working environment and comply with all applicable laws and regulations regarding working conditions.

Supplier shall follow all Environmental, Health and Safety and other operational policies of the ELGi while executing any work or contract at the ELGi site.

PROHIBITION OF INSIDER TRADING IN ELGI'S SECURITIES

Supplier agrees that they shall not buy, sell or otherwise deal in ELGi's securities if they have unpublished price sensitive information about or concerning ELGi and/or its subsidiaries and affiliates. Supplier hereby agrees that they shall not pass such information to third parties as it is not only a breach of confidentiality but also an offence.

SUPPLIERS VISITATION PROCESS

Suppliers have limited access to ELGi facilities. The following procedures are to be followed by all ELGi Suppliers:

- ⦿ No access to any ELGi manufacturing facilities or workshops, unless with the prior appointments made with provision of visitors' names, titles and visit time and subject to approval by the ELGi management of the visited facilities.
- ⦿ Wait in reception area until greeted by an ELGi employee.
- ⦿ No visitors from a third party is permissible, unless the visit purpose, visitors and visit time of such third parties have been approved by ELGi Legal or Administration Department, and the visit must be accompanied by an ELGi employee.
- ⦿ No use of camera, video camera or recorder unless with approval from the ELGi management of the visited facilities and only within the approved scope.
- ⦿ No occupation of any ELGi employee's office compartment or cubicle without express permission of the employee.
- ⦿ Display the visitor identification issued by ELGi through the visit, and return any visitor badges when exit ELGi premises.

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COMPLIANCE WITH APPLICABLE LAWS

Supplier will comply with all applicable laws and regulations that prohibit money laundering, support and financing of terrorism and that require the reporting of cash and suspicious transactions. Supplier will only conduct business with customers involved in legitimate business activities, with funds derived from legitimate sources. Supplier has in place adequate policies, systems, controls and procedures designed to comply with all applicable domestic and international laws especially related to anti-bribery laws, all applicable laws and generally accepted standards of business ethics and conduct.

INDEMNITY

Supplier hereby agree to indemnify ELGi and its subsidiaries and affiliates at all times with regard to any government or third party investigations related to or arising out of my / our alleged violation of this Code.

SUB CONTRACTOR COMPLIANCE

Supplier hereby agrees that in the eventuality of their appointing a sub-contractor (with written approval of ELGi), the sub-contractor shall also comply with this Code of Conduct.

CONTACT INFORMATION

The Code serves as a guide for fair dealing by encouraging open communications between ELGi and its Suppliers at all times. Should you have doubts for the activities you are about to conduct, or you know about ELGi employee's conduct that may violate this Code, you are open to reach ELGi, India Procurement department by calling +91-422-2589555 , or send email to cmnauditcommittee@elgi.com.

IT IS HEREBY CONFIRMED THAT THIS CODE HAS BEEN UNDERSTOOD AND WE ARE WILLING TO COMPLY WITH IT.

For Supplier

(Authorized Signatory)

Name :

Designation:

Date: