

# **KINETIC ENGINEERING LIMITED**

**CODE OF BUSINESS CONDUCT AND WORK ETHICS POLICY**



***KINETIC***

## **KINETIC ENGINEERING LIMITED**

**Regd Add:** D1 Block, Plot No.18/2, Chinchwad, Pune 411019

**CIN:** L35912MH1970PLC014819 **Email ID:** kelinvestors@kineticindia.com

**Tele No:** 020 6614 2049

---

### **Preamble**

As a responsible corporate citizen, Kinetic Engineering Limited and its subsidiary companies (the "Company") has always believed in following the highest standards of Corporate Governance.

The Company is committed to ensure that its business is conducted, in all respects and at all times, in accordance with rigorous ethical, professional and legal standards, which prevail from time to time. The Company is also committed to create a workplace at all of its working locations, that is free from harassment and discrimination, where co-workers are respected, and provided an appropriate environment so as to encourage good performance and conduct.

To achieve this goal all Employees are expected to:

1. Adhere to this Code of Conduct in their professional as well as personal lives; Understand the areas covered by the Code, Company policies and procedures, and laws that apply to our job.
2. Conduct ourselves in ways that are consistent with the Code, Company policies and procedures, and laws.
3. Treat co-workers with respect, courtesy, honesty and fairness.
4. Respect different values, beliefs, cultures and religions.
5. Value the contribution of the people they work with, and work co-operatively, not bully, intimidate, harass or discriminate against other co-workers.
6. Follow the legal requirements of all locations where we do business.
7. Speak up if we have concerns or suspect violations of the Code, Company policies and procedures, or laws.
8. When requested, certify that we have reviewed, understand and agree to follow the Code.

The Code cannot address every situation that may occur. The Code does not provide a comprehensive and complete explanation of all expectations from a company standpoint or obligations from a stakeholder standpoint. We are expected to exercise good judgment and ask questions when we need guidance or clarification. You may reach out to your Manager or Compliance & Legal department or Human Resources department. You must remember that under no circumstances does your failure to read our Code, sign an acknowledgement or certify online exempt you from your obligation to comply with our Code. Our employees have a continuing obligation to familiarise themselves with all applicable law, group-level advisories and policies, company-level policies, procedures and work rules as relevant.

### **Purpose**

This "Code of Business Conduct and Work Ethics Policy" (the "Policy") has been formulated in order to foster and maintain the integrity, trust, and confidence in the organization. Employees of the Company must adhere to appropriate standards of conduct as set out in this Policy and act professionally in a way that enhances the reputation of the Company. This Policy aims to provide guidance to all employees of the Company on conducting themselves in the course of undertaking business on behalf of the Company. The circumstances of conduct as set out below in this Policy, although not exhaustive, are intended to cover typical working situations. In the event any Employee encounters any circumstance which is not covered hereunder or has any doubt, they should seek guidance from the Reporting Manager/ Reviewing Manager and/or from the Human Resource Department and act accordingly.

A breach of the Policy may result in disciplinary action including potential dismissal or termination of employment and/or any other legal action as prescribed by the applicable law and prudent business ethics.

### **Coverage**

This Policy applies to all employees of the Company. Employee shall mean all directors, officers, consultants, and individuals on full-time or part-time employment with the Company, its subsidiaries and group companies, with permanent, probationary, trainee, retainer, temporary or contractual appointment.

The Company also expects its managers to lead by example and perform their duties in accordance with this Policy and ensure that the content of this Policy is communicated to all individuals reporting to them. If a business location or region has policies, practices, laws or regulations that require more than what is stated in this Policy, then the Employees must follow this policy as a minimum and comply with such policies, practices, laws, or regulations in that particular region/ country. Business units and locations are responsible for ensuring that their location specific policies and practices are consistent and in compliance with this Policy.

The Company's reputation and credibility are based upon its total commitment to ethical business practices and on the ethical conduct of its Employees. To safeguard the Company's reputation, Employees must conduct themselves in accordance with the highest ethical standards. Compliance with all policies of the Company, relevant applicable laws and regulations is the minimum standard which should be adhered to by all the Employees all the times. Any waiver of our Code requires the prior written approval of the Managing Director, and in certain circumstances, the Board of Directors, as the Managing Director may determine.

### **Integrity**

The business of the Company shall be conducted according to the highest standards of integrity and ethics, with due regard for all applicable laws. Each employee, associate, officer and director is expected to exercise sound judgment in all matters involving business ethics and integrity and to refrain from any conduct that could be questionable on ethical grounds.

### **Compliance with Laws**

Fundamental to our high ethical standards is that all employees are expected to be familiar with the laws, rules, and regulations applicable to their areas of responsibility and geography. If any question arises concerning the applicability of a prevailing law to a contemplated action, the Reporting Manager/ Reviewing Manager and/or the Compliance Officer should be consulted. All Associates,

Officers and Directors are expected at all times to comply with all applicable laws and regulations and to comply fully with the policies of the Company.

## **Business Conduct & Work Ethics**

The personal and professional behaviour of Employees shall conform to the standards expected of an individual in their positions, which includes:

- A commitment to and adherence to professional standards in their work and in their interactions with other Employees of the Company.
- A commitment to maintaining the highest standards of integrity and honesty in their work.
- An adherence to ethical and legal standards to be maintained in business.
- A responsibility to support the Company in its efforts to create an open and mutually supportive environment.
- A responsibility to share information and provide willing assistance in furthering the goals and objectives of the Company.
- A responsibility to ensure that there is no misrepresentation of facts. Wherever a misunderstanding is thought to have taken place through unclear communications, this should be corrected promptly.

## **Prohibited Conduct**

The following conduct is prohibited. This list of prohibited conduct is illustrative only; other types of conduct that threaten security, personal safety, employee welfare and the Company's operations shall also be prohibited.

- a. Recording the work time of another employee or allowing any other employee to record your work time, or falsifying information, either your own or another employee's. Supervisor is responsible and needs to have knowledge of subordinate movement for job related out of office activities. In case it is found that Supervisor has been negligent, action shall be taken;
- b. Theft and deliberate or careless damage or destruction of any Company property, or the property of any employee or customer;
- c. Removing or borrowing Company property without prior authorization;
- d. Failing to notify a supervisor when unable to report to work;
- e. Unreported absence of three consecutive workdays;
- f. Unauthorized use of Company equipment, time, materials, or facilities;
- g. Falsifying employment records, employment information, or other Company records;

- h. Committing a fraudulent act or a breach of trust under any circumstances;
- i. Committing of or involvement in any act of harassment of another individual;
- j. any attempt to assault or battery;
- k. Carrying firearms or any other dangerous weapons on Company premises at any time;
- l. Engaging in criminal conduct;
- m. Causing, creating, or participating in a disruption of any kind during working hours;
- n. Playing pranks or 'ragging' of any colleagues;
- o. Insubordination, including but not limited to failure or refusal to obey the orders or instructions of a supervisor or member of management, or the use of abusive or threatening language toward a teammate, supervisor, or member of management;
- p. Using abusive language; and
- q. Violating any safety, health, security or any other Company policy, rule, or procedure.

### **Off-Duty Conduct & Outside Employment/Freelancing**

While the Company does not seek to interfere with the off-duty personal conduct of its employees, certain types of off-duty conduct may interfere with the Company's legitimate business interests. For this reason, employees are expected to conduct their personal affairs in a manner that does not adversely affect the Company's or their own integrity, reputation or credibility. Illegal or immoral off-duty conduct by an employee that adversely affects the Company's legitimate business interests or the employee's ability to perform his or her job will not be tolerated.

In consideration of your employment with the Company, you are expected to devote your full attention to the business interests of the Company and therefore freelancing or voluntary substantial work may not be assumed. You are prohibited from engaging in any activity that interferes with your performance or responsibilities to the Company or is otherwise in conflict with or prejudicial to the Company. Our policies strictly prohibit any employee from accepting simultaneous employment of any nature whatsoever. Additionally, you must disclose to the Company any interest that you have that may conflict with the business of the Company. If you have any questions on this requirement, you should contact your reporting supervisor or the Human Resources Department or Compliance Department.

### **Equal Employment Opportunity**

Our Company values a diverse workforce that reflects the rich diversity of our customers and the world. Kinetic Engineering is an equal opportunity employer and makes employment decisions on the basis of merit. Company policy prohibits unlawful discrimination based on race, colour, religion, disability, gender, national origin, sexual orientation, gender identity, gender expression, age, genetic information, military status, or any other legally protected status.

This commitment extends to every aspect of what we do, including our compensation policy, promotions, benefits, transfers, training, education, terminations, social and recreational programs. We expect all managers, heads of departments to participate in this commitment personally and lead by example in the way they practice and enforce the principles that guide our approach to equal opportunities throughout the Company.

## **Conflict Of Interest**

Each Employee is expected to avoid situations in which his or her financial or other personal interests or dealings are, or may be, in conflict with the interests of the Company. Accordingly, the Company expects its employees to act in the Company's interest at all times.

Employees are advised not to engage in any other business, commercial or investment activity that may conflict with their ability to perform their duties to the Company. Employees must also not engage in any other activity (cultural, political, recreational, social) which could reasonably conflict with the Company's interests and interfere with the performance of their duties. Employees must not use any Company's property, information or their positions or opportunities arising from these for personal gains or to compete with or to tarnish the image of the Company. If, under any circumstance, employees' personal interests' conflict with those of the Company's, the employee must seek advice from his or her reporting/ reviewing manager or from senior management.

In accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Senior management shall make disclosures to the Board of Directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the listed entity at large.

If you take part in any activity that enhances or supports a competitor's position or accept simultaneous employment with any other company or business entity, it is considered outside employment and a conflict of interest. This includes performing services as an employee, agent or contractor for a customer, supplier or any other entity that has a business relationship with the Company while working with us.

Notwithstanding any other instance of conflict of interest that exists due to historical reasons, adequate and full disclosure by interested employees shall be made to our company's management. At the time of appointment in our company, our employees and directors shall make full disclosure to the competent authority, of any interest leading to an actual or potential conflict that such persons or their immediate family (including parents, siblings, spouse, partner, children) or persons with whom they enjoy close personal relationships, may have in a family business or a company or firm that is a competitor, supplier, customer or distributor of, or has other business dealings with, our company.

**Related Party Transactions:** You should also avoid conducting Company business with a relative, or with a business in which you or your relative is associated in any significant role. Relatives include spouse, siblings, children, parents, grandparents, grandchildren, aunts, uncles, nieces, nephews, cousins, step relationships, and in-laws. As a listed entity, the Company is subject to certain legal obligations to report such material related party transactions to regulators and it is important that all such transactions be fully disclosed, conducted at arm's length and with no preferential treatment.

**Outside Investments:** You should not have a financial interest, including through a relative, in any organization if that interest would give or appear to give you a conflict of interest with the Company.

You should be particularly sensitive to financial interests in competitors, suppliers, customers, distributors and strategic partners.

**Political Activities:** Kinetic Engineering reserves the right to communicate its position on important issues to the elected representatives and other government officials. Our funds or assets must not be used as contribution for political campaigns or political practices under any circumstances without the prior written approval of the Board. We do not seek reimbursement for political contributions or use our resources for personal political activities. We also do not indicate in any manner that we represent our Company's opinion about a candidate for office or any political cause or decision of any government. We shall act in accordance with the constitution and governance systems of the countries in which we operate. We do not seek to influence the outcome of public elections, nor to undermine or alter any system of government. We do not support any specific political party or candidate for political office. Our conduct must preclude any activity that could be interpreted as mutual dependence/favour with any political body or person, and we do not offer or give any company funds or property or other resources as donations to any specific political party, candidate or campaign. We engage with the government, regulators and various Industry Forums in a constructive manner in order to promote good governance. We conduct our interactions with them in a manner consistent with our Code.

**Lobbying:** If our work includes meetings with government, elected officials, all of which might be construed as 'lobbying', we must be aware that such activities are regulated. We should not claim to represent our Company at such meetings unless we are specifically designated by the Company to do so.

**Governmental Relations:** While all our clients are treated with respect, we should be especially careful while dealing with government clients. There are significant penalties in many countries, including debarment and monetary penalties for organizations that fail to follow the law while working for government clients. We should not attempt to influence government employees in any manner other than what is agreed in our contractual arrangement with the government. Employment opportunities for former government officials must not be discussed without first seeking guidance and approval of the MD. Similarly, we should not initiate discussions for any contract with any business in which a government official or employee holds a significant interest, without the prior approval of the MD.

## **Confidentiality of Information**

In carrying out the Company's business, you often learn confidential or proprietary information about the Company, its employees, customers, prospective customers, the Company's parent/group companies or other third parties. It is your responsibility to maintain the confidentiality of all the information entrusted to you—except when disclosure is authorized or legally required.

Confidential or proprietary information includes, among other things, Trade secrets, Research and development ideas, Proprietary source code, Contracts, sales, pricing, and invoice data, Existing or potential client lists, Non-public financial data or projections, Employee lists and salary data, Potential acquisitions or investments, New product or marketing plans.

It also encompasses any non-public information provided by a third party with the expectation that such information will be kept confidential and used solely for the business purpose for which it was conveyed. You must preserve confidential information even after your employment (or service as a director) ends.

Finally, you are discouraged from publicly discussing work-related matters, whether constituting confidential information or not, outside of appropriate work channels, including online, in chat rooms,

on websites, or in “blogs.” The disclosure of confidential or sensitive information, or making of other statements detrimental to the Company, or which reflect poorly on you as a representative of the Company, may result in disciplinary and/or legal action.

**Providing Information to the Media:** Our employees shall not make any wilful omissions or material misrepresentation that would compromise the integrity of our records, internal or external communications and reports, including the financial statements. Our employees and directors shall seek proper authorisation prior to disclosing company or business-related information. This includes disclosures through any forum or media, including through social media. To protect our confidential information from misuse and to ensure that only accurate information about the Company is disclosed, we have designated our Corporate Communications team to handle exchanges with the media. Additionally, our Chief Executive Officer, Chief Financial & Chief Investor Relations Officer are the official Company spokespeople for all matters. All inquiries or calls from the press and financial analysts should be referred to the and Chief Investor Relations Officer. We must not post or discuss information concerning the Company’s services or business on the Internet unless we are authorized to do so. Neither must we create a perception that we are speaking or posting on behalf of the Company.

**Data Privacy & Breach Reporting:** Our employees shall ensure the integrity of personal data or information provided by them to our company. We shall safeguard the privacy of all such data or information given to us in accordance with applicable company policies or law. Our employees shall safeguard the confidentiality of all third party intellectual property and data. Our employees shall not misuse such intellectual property and data that comes into their possession and shall not share it with anyone, except in accordance with applicable company policies or law. Our employees shall promptly report the loss, theft or destruction of any confidential information or intellectual property and data of our company or that of any third party.

Our employees, customers, our customer’s users, and our business partners entrust us with their data, including their personal data and their communications data. Examples of personal data and private communications data include:

- Individually identifying health information
- Family members’ names
- Employee ID, government identification number (such as a passport, PAN, license, or national ID number)
- Contact information such as email addresses or telephone numbers
- Personal financial account information
- Customer message detail records
- Customer email communications
- Call or video recordings or transcriptions

We are committed to treating that data with care. Ensuring that personal data is protected and handled properly is critical to maintaining the trust we are given in these relationships. Our employees have a continuing obligation to familiarise themselves with all applicable law with regard to privacy and data protection laws applicable in relevant jurisdictions in which operate.

## **Fair Dealing**

The Company shall endeavour to compete vigorously, yet lawfully, with competitors and establish advantageous, but fair, business relationships with customers and suppliers to ensure a foundation for long term success. Towards this goal, employees must deal ethically and lawfully with the Company’s customers, suppliers, competitors and employees in all business dealings on the



Company's behalf. No employee should take unfair advantage of another person in business dealings on the Company's behalf through the abuse of privileged or confidential information or through improper manipulation, concealment or misrepresentation of material facts.

**Trading in Company Shares:** Kinetic Engineering is a publicly traded company in India. This means that our shares may be traded by the public. The price of our shares may fluctuate on the basis of information about the Company's activities. Our employees must not indulge in any form of insider trading nor assist others, including immediate family, friends or business associates, to derive any benefit from access to and possession of price sensitive information that is not in the public domain. Examples of price sensitive information may include New products in development, Significant litigation or a pending regulatory action, an acquisition or merger, Positive or negative quarterly earnings, New or lost customers.

Such information would include information about our company, our group companies, our clients and our suppliers. If someone is aware of, for example, management changes or an upcoming acquisition and uses it to buy or sell our shares before such information is made public, they may be subject to penalties under insider trading laws. You should read Company's code on prevention of Insider Trading for details in this regard which is available on the company's website. If you're a Designated Person, you must observe Trading Window restrictions as may be communicated to you by the Compliance Officer from time to time and trade only when do not have non-public material information. If you're not a Designated Person, you should still not trade in company's shares if you have non-public material information.

**Drugs & Substance Use:** Use of prohibited drugs and substances creates genuine safety and other risks at our workplaces. We do not tolerate prohibited drugs and substances from being possessed, consumed or distributed at our workplaces, or in the course of company duties. For more details, please read our Global Drug-Free Workplace & Substance Abuse Policy for additional guidance in this regard.

## **Integrity of Financial Information**

Shareholders, management and other interested parties must have complete and accurate financial information in order to make informed decisions. Many Employees participate in accounting processes that directly impact the integrity of external financial statements and internal management reports. All such Employees have a responsibility to ensure that all transactions are recorded in Company's accounts accurately and promptly and they must immediately report any known inaccuracies. Misrepresentations by employees that result from intentional acts that may conceal or obscure the true nature of a business transaction are clear violations of this Policy.

## **Protection and Use of Company Assets**

Our employees shall use all company assets, tangible and intangible, including computer and communication equipment, for the purpose for which they are provided and in order to conduct our business. Such assets shall not be misused. All Employees of the Company are responsible for protecting and taking reasonable steps to prevent the theft or misuse of, or damage to Company's assets, including all kinds of physical assets, movable, immovable and tangible property, corporate information and intellectual property such as inventions, copyrights, patents, trademarks and technology and intellectual property used in carrying out their responsibilities. All Employees must use all equipment's, tools, materials, supplies, and Employee time only for Company's legitimate business interests. Company's property must not be borrowed, loaned, or disposed of, except in

accordance with appropriate Company's policies. All Employees must use and maintain Company's property and resources efficiently and with due care and diligence.

### **Acceptance of Gifts and other Benefits**

Employees should not give or accept gifts, entertainment, or any other personal benefit or privilege that would in any way influence or appear to influence any business decision. Accepting money, gifts, entertainment, loans or any other benefit or preferential treatment from any existing or potential customer, supplier or business associate of the Company, is strictly prohibited, except occasional gifts of modest value and entertainment on a modest scale as part of customary business practice. As a general principle, gifts of minor estimated value (e.g. pens, golf balls, desk diaries) are acceptable. All other prospective offers of gifts or entertainment falling outside the foregoing guideline, but which reflect customary and transparent business practice in a particular market, may be accepted. However, in case of doubts, the Employee must refer the case to his/her reporting manager and/or the relevant business unit head who will decide on the action to be taken. It is unacceptable to directly or indirectly offer, pay, solicit or accept any kind of inducements or bribes. Any attempted transaction of this nature should be immediately reported to the Reporting Manager/ Business Unit Head or the HR Department. The funds and resources of the Company shall not be used directly or indirectly for any such purpose.

### **Health, Safety and Environment**

The health and safety of our employees and the public at large are of utmost importance to the Company. Therefore, we place a strong emphasis on complying with all applicable health, safety and environmental laws and regulations.

In short, we expect you to use all equipment and facilities in an appropriate manner, and to make every effort to prevent environmental incidents. You should report any concerns that you may have concerning environmental, health or safety matters to your Immediate Supervisor or to the HR department.

### **Harassment-Free Workplace Environment**

The Company recognizes its obligation to provide a work environment free of unlawful harassment and intimidation, including sexual harassment and harassment based on race, colour, religion, national origin, ethnicity, age, gender, gender expression, gender identity, disability, marital status, veteran status or any other basis prescribed by law. We are committed to working together to maintain a diverse workplace free of discrimination. All employees must abide by the Company's Prevention of Sexual Harassment (POSH) policy.

### **Child Labour**

We do not employ children at our workplaces. There shall be no recruitment of individuals below the national legal age relevant in applicable jurisdictions where we operate either directly or through our Group Companies.

### **Prevention of Violation of Human Rights**

The Company believes that respect for the dignity, rights and aspirations of all people is a cornerstone of business excellence. We base relationships with and between employees on respect for individuals and their human rights. Respect for Each Other is respect for human rights. Respect for each other includes respect for the environment and health, consistent with our strategy of responsible, sustainable development. Respect for Each Other means making people the core focus of our collective undertaking, valuing diversity and paying attention to the quality of employee dialogue within the company. We do not accept any form of discrimination, harassment or bullying. We pursue equality of opportunity and inclusion for all employees through our employment policies and practices. We do not use forced labour in any form. We do not confiscate personal documents of our employees, or force them to make any payment to us or to anyone else in order to secure employment with us, or to work with us. Company recognizes and respects applicable labour and employment laws including those addressing freedom of association, privacy and equal employment opportunity wherever we operate.

## **Compliance Procedures**

**Communication of Code:** All and employees will be supplied with a copy of this Code upon beginning service at the Company. Updates of this Code will be provided from time to time. A copy of this Code is also available to all employees by requesting one from the HR department or by accessing the Company's intranet.

**Monitoring Compliance and Disciplinary Action:** The Company's management, under the supervision of its Board, shall take reasonable steps from time to time to (i) monitor compliance with this Code, and (ii) when appropriate, impose and enforce appropriate disciplinary measures for violations of this Code.

### **Corrective action may be taken if you:**

- Violate the Code, Company policies and procedures, or applicable laws.
- Direct others to violate the Code, Company policies and procedures, or applicable laws.
- Are aware of a violation or potential violation, and fail to report it.
- Fail to effectively monitor the actions of people you manage.
- Do not cooperate in a Company audit or investigation.
- Fail to participate in required training.
- Retaliate against someone for reporting a concern in good faith or for participating in an investigation of such a report.
- Disclose information learned during an internal investigation.

Disciplinary measures for violations of this Code may include a verbal or written warning; suspension with or without pay; loss or reduction of bonus or stock options; or, for the most serious offenses or repeated misconduct, termination of employment.

The Company's management shall periodically report to the Board or the Audit Committee, as applicable, on these compliance efforts including, without limitation, periodic reporting of alleged violations of this Code and the actions taken with respect to any such violation.

**Reporting Concerns/Receiving Advice:** If any employee believes that actions have taken place, may be taking place, or may be about to take place that violate or would violate this Code or any law, rule or regulation applicable to the Company, he or she is obligated to bring the matter to the attention of

the Company. An employee may seek advice on any ethics related issue or reporting potential violations of this Code with his/her supervisor, Human Resource Department.

Employees are expected to cooperate with the Company in any investigation of a potential violation of this Code, any other company policy or procedure, or any applicable law, rule or regulation.

**Misuse of Reporting Channels:** Employees must not use these reporting channels in bad faith or in a false or frivolous manner or to report grievances that do not involve this Code or other ethics-related issues. If an employee wishes to remain anonymous when filing a complaint, the Company shall use all reasonable efforts to protect his/her identity and confidentiality, subject to the applicable laws. In some instances, anonymity may result in insufficient information to investigate the complaint and the Company will do its best to resolve in the most judicious manner.

**S/d**

**Arun Hastimal Firodia**

**Chairman**