

SWELECT ENERGY SYSTEMS LIMITED

CODE OF CONDUCT FOR THE BOARD OF DIRECTORS

This Code of Conduct for the Board of Directors of the Company is being furnished below:

All Members of the Board of Directors of the Company will be governed by this Code of Conduct.

1. This code comes into effect from the date of appointment of each Director on the Board.
2. The Directors shall act honestly, diligently and in good faith in all their dealings with the company.
3. The Directors shall promote integrity and excellence towards achieving the Company's goals and objectives and enhancing shareholder's value.
4. The Directors shall not engage in any business or activity, which might detrimentally conflict with the interest of the Company.
5. The Directors shall abide by all the Statutory Laws, Rules and Regulations in the conduct of the business.
6. The Directors shall not receive directly or indirectly any undue personal benefit or advantage by virtue of his/her position or association with the Company.
7. The Directors shall observe confidentiality with regard to all the Company's information and shall not divulge any information either for their own benefit or any third parties.
8. The Directors shall keep the Board informed about the change in their other Directorships, Committee positions in other Companies.
9. The Directors shall not use or proliferate price sensitive information and shall keep the Board informed about any change in their shareholding in the company, in order to comply with the regulations of Securities and Exchange Board of India (SEBI).
10. The Directors shall confirm compliance with the Code of Conduct on an Annual Basis.

Code for Independent Directors

The Code is a guide to professional conduct for Independent Directors.

I. Guidelines of professional conduct:

The Independent Directors shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising their duties;
- (3) exercise their responsibilities in a *bona fide* manner in the interest of the company;
- (4) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate their exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of their independence;
- (8) where circumstances arise which make an independent director lose his/her independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The Independent Directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;

- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive Directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive Directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties :

The independent Directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) 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;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which they are member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) 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;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) 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;
- (10) 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;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

(12) assist in protecting the legitimate interests of the company, shareholders and its employees;

(13) 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.

SWELECT ENERGY SYSTEMS LIMITED

CODE OF CONDUCT FOR SENIOR MANAGEMENT

The Company's philosophy on Corporate Governance is built on the fundamentals of fair and transparent Governance and Disclosure practices. This includes adherence to honest, ethical and professional conduct, respect for human values and individual dignity.

This Code lays down the broad principles and sets out responsibilities for the Conduct of the Senior Management of the Company in their pursuit of achieving the Company's goals and objectives. "Senior Management" means and includes the personnel of the Company who are members of its Core Management Team excluding the Board of Directors but including all Functional Heads and Executive Committee Members.

1. The Code comes into effect from 1st January 2006.
2. The Members shall strive towards excellence in achieving total customer satisfaction in all transactions relating to products and services through:
 - Dedicated Team Effort.
 - Continual improvement in Quality of the product and services.
 - Upgrading the employee skills through effective training.
 - Adopting the latest technologies and use of Scientific Instruments for perfection.
 - Compliance with the requirements of implemented Quality Management system and continually improving its effectiveness.
3. The Members shall be ethical role models by demonstrating the highest standards of Professionalism, Integrity and responsibility and foster an environment of trust and co-operation and will ensure proper usage of authority as delegated to them.
4. The Members shall devote full time for the Company's work and shall not undertake any direct/indirect business, pursuit or work, honorary or remunerative, in his own interest or in any entity which engages in activities in competition with the business or potential business of the Company. They shall not engage in any activity that interferes in the proper discharge of responsibilities or is in conflict with or prejudicial to the interests of the company.
5. The Members shall secure, preserve, safeguard and use Confidential information of the Company only to the best interests of the Company and shall not divulge any information to the Third parties or derive any benefit or assist others to derive any benefit from access to or possession of information of the Company. The confidentiality of the information shall be maintained notwithstanding the severance of association with the Company.

6. The members shall not use or proliferate information which 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. The Members should be committed to adhering to SEBI (Prohibition of Insider Trading) Regulations

Such insider information includes the following:

- Acquisition and divestiture of businesses or business units.
 - Financial Information.
 - Announcement of new product introductions or developments.
 - Asset Revaluations.
 - Investment decisions/plans.
 - Restructuring plans.
 - Major supply and Delivery agreements and Raising finances.
7. The Members shall not accept gifts or hospitality beyond the customary level or any donations, loans or advances from the existing or potential suppliers, customers or third parties having business dealings with the Company.
 8. The Members are responsible for effective control and appropriate use of the Company's tangible and intangible resources, entrusted to them in the official discharge of their duty.
 9. The Members shall, in his or her conduct, comply with all applicable laws and regulations, both in letter and in spirit, in all territories in which he or she operates.
 10. The Members shall strive to provide a safe and healthy environment and comply, in the conduct of the business affairs, with all regulations regarding the preservation of the environment. They shall be committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological development.

The Members shall confirm that they have received, read and understood the Code of Conduct, and agree to comply with the Code in the format specified on the Annual Basis