



CODE OF CONDUCT & BUSINESS ETHICS

REF : CEV/Policy/CoC

ISSUE : A/02.01.2024

REV: 01/02.01.2024

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1.0 Introduction:

This Code of Conduct and Business Ethics (“Code”) shall apply to MD, General Manager, all dept heads and employees (herein referred to as “Employees”) of **CEV Engineering Pvt Ltd**, includes all production units hereinafter referred to as the “Company/CEV”. This Code aims at enhancing ethical and transparent process in conducting and managing the business of the Company.

2.0 Purpose of the Code:

The prime purpose of this Code is to create an environment where all employees of the company to maintain honesty, integrity and ethical standards in dealing with and managing the affairs of the Company. The policies outlined in this Code are designed to ensure that the Company’s Employees act in accordance with not only the letter but also the spirit of the laws and regulations that are applicable to the Company’s business.

This Code will act as a guide the Employees to:

- Promote honesty and ethical conduct while dealing with various stakeholders of the Company so that the Company’s reputation and goodwill is always intact.
- Act in the best interests and fulfill fiduciary obligations to the Company.
- Act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner and not take improper advantage of their position in the Company.
- Help to create and maintain a culture of high ethical standards and commitment to compliance
- Assure compliance with laws, rules and regulations that govern the Company's business activities; and
- Assure the proper use of the Company’s assets and restrain using the Company’s property or position for personal gain.

It is expected that the Employees of the Company will exercise good judgment in compliance with the principles set out in this Code. The Employees of the Company have a duty to avoid any circumstance that would violate the letter and spirit of this Code.



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3.0 Scope of Applicability:

This Code shall be applicable to all Employees (MD, GM, Dept heads and other employees) of the Company who shall comply with and shall continue to comply with other applicable/ to be applicable policies, rules and procedures of the Company.

4.0 Guidelines for Proper Conduct:

All Employees of CEV shall act within the authority conferred upon them and observe the following guidelines in their conduct:

4.1 Integrity:

Integrity is fundamental to our Company. Integrity means doing what is right. By acting with integrity, we reflect positively on the values and reputation of the Company and its brands. In this regard the Employees shall:

- Act with utmost care, skill, diligence and integrity.
- Act in utmost good faith and fulfill the fiduciary obligations without allowing their independence of judgment to be compromised.

4.2 Compliance with laws, rules and regulations:

CEV and its Employees are bound by the law. Compliance with all Applicable Laws (environmental, OHS related) and regulations must never be compromised. Additionally, employees shall adhere to internal rules and regulations as they apply in a given situation. These internal rules and regulations are specific to the Company and may require additional compliances to what is required under Applicable Laws. Employees with questions about the applicability or interpretation of any law, rule or regulation, should contact the HR dept of the Company.

4.3 Conflicts of Interest:

A Conflict of Interest occurs when personal interests of a MD, Dept Heads or an Employee or the interests of a third party compete with the interests of CEV. In such a situation, it can be difficult for the Employees to act fully in the best interests of CEV.

Employees shall:

- Avoid situations whenever possible, in which their personal interest could conflict with the interest of the Company. If an employee faces a situation that may involve or lead to a conflict of interest, the employee shall disclose it to his or her Dept Head to resolve the situation in a fair and transparent manner.
- Shall not involve in taking any decision on a subject matter in which a conflict of interest arises or which in his opinion is likely to arise.



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- Shall make disclosures to the MD relating in respect of all material financial and commercial transactions, if any, where they have personal interest which may have potential conflict with the interest of the Company at large.
- Shall avoid having any personal and/or financial interest in any business dealings concerning the Company.

4.4 Related Party Transactions:

- No Employee shall, in his official capacity, enter into business related parties, as defined under Applicable Laws, except with the prior approval of the Company, as the case may be, and unless otherwise permitted by law.
- A related party may be hired as employees or consultants only if the appointment is in the ordinary course of business and on an arms' length basis *i.e.* based on requisite qualifications, performance, skills and experience. Provided that there is no direct or indirect reporting relationship between the employee and his or her relative or partner.

These principles of fair employment will apply to all aspects of the employment, including compensation, training, promotions and transfers, as well as in case that the relationship develops after the respective employee has joined the Company.

4.5 Other outside activities:

- Outside of CEV, no activities shall be pursued if such activities will interfere with the Employee's responsibilities for CEV or if they create risks for CEV's reputation. When in doubt about the permissibility of an activity, employees shall consult with the MD.
- Unless requested by the Company to take up a particular position or activity, Employees shall pursue outside activities and positions at their own risk and cost and within their spare time only.
- Shall not hold any position or job or engage in outside business or other interest that is prejudicial to the interests of the Company.

4.6 Corporate Opportunities and not to compete Company's business:

- Employees shall not compete with the Company, nor shall they take personal advantage of business opportunities that they discover during the course of their association with the Company.
- If Employees want to pursue business opportunities that might be of interest to the Company, they shall inform their Immediate Superior or MD who will seek a management decision as to



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whether or not the Company wants to pursue the opportunity.

- The Employees shall not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Proprietor of the Company and declines to pursue such opportunity and allow him to avail such opportunity.

4.7 Trust and Fair Competition:

CEV is prepared to compete successfully in today's business environment and will always do so in full compliance with all Applicable Laws. Each Employee shall endeavor to deal fairly with the Company's shareholders, competitors, suppliers and customers. No employee shall take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair practice. All employees, and especially those who are involved in marketing, sales and purchasing, or who are in regular contact with competitors, have a responsibility to ensure that they are familiar with applicable competition laws.

All employees shall avoid any dealing with a Contractor or Supplier that compromises the ability to transact business on a professional, impartial and competitive basis or that may influence discretionary decision to be made by the Company.

4.8 Disciplinary Action

If an employee is found guilty, upon an enquiry one or more of the punishment may be imposed commensurate with the gravity of the offence, namely;

- Warning or Censure.
- Recovery of the whole or part of any pecuniary loss caused to the Company by the employee as a result of the misconduct committed.
- Suspension from employment by way of punishment for a period not exceeding 7 days(i.e. Punitive suspension).
- No Deduction in the wages will be taken place as disciplinary action.

4.9 Confidential Information (Privacy) & Disclosure of Information:

- Confidential information consists of any information that is not or not yet public information and that might be of use to competitors or harmful to the Company. It includes business, marketing and service plans, consumer insights, engineering and manufacturing ideas, designs, databases, salary information and any non-published financial or other data.
- No employee shall provide any disclose the information either formally or informally, to the



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press or any other media, unless specifically authorized.

4.10 Intellectual Property

Employees must respect the legitimate proprietary rights and intellectual property rights of CEV and others. Employees must take proper care to protect sensitive information, including confidential, proprietary and personal information. Employees should not use such information for any purpose other than the business purpose for which it was provided, unless the owner of the information provided prior authorization.

4.11 Protection of Company Assets:

- Employees must never engage in fraudulent or any other dishonest conduct involving the property or assets of CEV or any third party. This may not only entail disciplinary action but also result in criminal charges.
- Employees shall safeguard and make only proper and efficient use of CEV's property. All employees shall seek to protect CEV's property from loss, damage, misuse, theft, fraud, embezzlement and destruction. These obligations cover both tangible and intangible assets, including trademarks, know-how, confidential or proprietary information and information systems.
- Theft of Company Assets—whether physical theft such as unauthorized removal of Company product, equipment or information, or theft through embezzlement or intentional misreporting of time or expenses—may result in termination and criminal prosecution. The Company treats workplace theft of assets belonging to other employees and Directors the same way it treats theft of Company assets.
- To the extent permitted under Applicable Laws, the Company reserves the right to monitor and inspect how its assets are used by Employees, including inspection of all e-mail, data and files kept on Company network terminals.
- Use of Company Assets for personal benefit or the benefit of anyone other than the Company is not permitted.

4.12 Corruption, Fraud, Extortion & Bribes:

- Employees shall not seek or accept or offer directly or indirectly any gifts, donations, remuneration, hospitality, illegal payments, favor in whatsoever form howsoever described by the customers, vendors, contractors, consultants, etc., that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud,



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opportunity for committing any fraud.

- Employees must never, directly or through intermediaries, offer or promise any personal or improper financial or other advantage in order to obtain or retain a business or other advantage from a third party, whether public or private.
- Employees should be aware that the offering or giving of improper benefits in order to influence the decision of the recipient, may not only entail disciplinary actions but also result in criminal charges. Improper benefits may consist of anything of value for the recipient, including employment or consultancy contracts for closely related parties.

4.13 Gift and Entertainment:

Employees:

- Shall not accept gifts or meals in exchange for doing, or promising to do, anything for a Customer or Supplier and shall not ask or accept for gifts, meals, cash or cash equivalents, such as gift cards.
- May only offer or accept reasonable meals and symbolic gifts which are appropriate under the circumstances, and they shall not accept or offer gifts, meals, or entertainment, if such behavior could create the impression of improperly influencing the respective business relationship.
- May accept gifts of symbolic value, such as trophies and statues that are inscribed in recognition of a business relationship,
- May accept gifts or discounts offered to a large group of Employees as part of an agreement between the Company and a Customer or Supplier and used as intended by the Customer or Supplier.
- Shall not give Company shares as a gift on behalf of the Company under any circumstances.

In case of any doubt, the employee shall seek guidance from his or her immediate superior or the MD.

4.14 Discrimination and Harassment:

CEV respects the personal dignity, privacy and personal rights of every employee and is committed to maintaining a workplace free from discrimination and harassment. Therefore, employees must not discriminate on the basis of origin, nationality, religion, race, gender, age or sexual orientation, or engage in any kind of verbal or physical harassment based on any of the above or any other reason.

CEV maintains an open door for reportees to encourages employees to report any harassment or discrimination and is responsive to employee complaints about harassment or other unwelcome and



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offensive conduct. Employees shall not commit any offence involving moral turpitude. The Company demands, demonstrates and promotes professional behavior and respectful treatment of all employees.

4.15 Dealings with Government Personnel

Transactions with governments are covered by special legal rules and are not the same as conducting business with private parties. Employees shall not offer anything to a Government Official, directly or indirectly, through a third party, in return for favorable treatment or in order to obtain or retain business. Prior approval from the Company's Legal Department must be obtained before providing anything of value to a Government Official. Ensure that any such payments are properly recorded in the appropriate Company account.

4.16 Accurate Reporting and Accounting

Every Employee of the Company must ensure that:

- The Company's books, records, accounts, and financial statements must be maintained in appropriate detail, must properly reflect the Company's transactions and must conform both to Applicable Laws and to the Company's system of internal controls.
- That all reports to regulatory authorities are full, fair, accurate, timely and understandable.
- The Company's public financial reports must contain full, fair, accurate, timely and understandable disclosure as required by law. The Company's financial, accounting and legal divisions are responsible for procedures designed to assure proper internal and disclosure controls, and all Employees should cooperate with these procedures. However, it is everyone's responsibility to ensure accurate and complete business and financial records.
- The making of false or misleading records or documentation is strictly prohibited.
- Documents are not falsified at any point of time so as to distort the truth and not reflect true nature of any transaction.
- There is no evasion of taxes or support of another person's efforts to evade taxes or subvert local currency laws. For this reason, payments generally should be made only to the person or firm that actually provided the goods or services.

4.17 Counterfeit Parts

CEV expect our employees to develop, implement, and maintain methods and processes appropriate to their products to minimize the risk of introducing counterfeit parts and materials into deliverable products. Effective processes should be in place to detect counterfeit parts and materials, to exclude



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them from the delivered product, and to provide notification to recipients of counterfeit products when warranted.

4.18 Export Control, Customs & Trade Sanctions

CEV operates around the globe and processes imports, exports and transits of a variety of goods. As goods shall timely pass customs clearance, all shipments of goods must be prepared by a Purchase department, following expert guidance to ensure adherence to national and international regulations.

Employees who engaged in foreign trade activities must comply fully with all applicable laws including laws of the United Nations, United States, the Member States of the European Union, and other countries governing international trade transactions and activities.

Economic sanctions laws that restrict activities and transactions with, in or involving certain specified sanctioned countries, their nationals, and other designated entities and individuals. The restrictions on the sale and/or shipment of products, as well as related activities, often apply regardless of the type of products being sold or shipped, or the location from which the sale or shipment originates.

Accordingly, before agreeing to provide any products or services to a particular customer, CEV personnel first must confirm that none of the parties involved – including the customer and, if known and applicable, the customer's customer – is on or covered by any of the lists. The current list of Sanctioned Countries can be accessed on the Internet at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>.

4.19 Health and Safety

CEV attaches great importance to a healthy and safe work environment and to provide a clean, safe and healthy work environment. The Company is committed to provide good physical working conditions and encourages high standards of hygiene and housekeeping.

Each Employee has responsibility for maintaining a safe and healthy workplace by following safety and health rules and practices and reporting accidents, injuries and unsafe conditions, procedures, or behaviors. Particular attention should be paid to training of employees to increase safety awareness and adoption of safe working methods, particularly designed to prevent serious or fatal accidents. Violence and threatening behavior are not permitted.



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4.20 Substance Abuse/Drug and Alcohol-Free Workplace

CEV requires all employees/contractors to work free from the influence of any substance, including drugs and alcohol, which may prevent you from conducting work activities safely and effectively.

CEV reserves the right to have any Associate tested, where local law and policies allow, if there is reasonable suspicion that he or she is under the influence of drugs or alcohol. If you are using prescription or non-prescription drugs that may impair alertness or judgment, or witness an Associate who may be impaired and, therefore, possibly jeopardizing the safety of others or CEV's business interests, unless prohibited by local laws, you should report it immediately.

4.21 Anti Money Laundering:

- **Prohibition of Money Laundering:** Employees, suppliers, and partners must not engage in any activity that disguises the origin of illegally obtained funds.
- **Due Diligence:** Conduct "Know Your Customer" (KYC) and "Know Your Supplier" (KYS) checks before entering into business relationships.
- **Monitoring Transactions:** Ensure that all payments are transparent, traceable, and made through authorized banking channels. Cash transactions are to be avoided unless legally permissible and approved.
- **Suspicious Activity Reporting:** Employees must immediately report any suspicious financial activity or unusual transaction patterns to the Compliance/Finance Department.
- **Third-Party Compliance:** Business partners, dealers, and suppliers are expected to comply with AML requirements and provide necessary documentation when requested.

4.22 Compliance with the Code:

It is each Employee's responsibility to ensure full compliance with all provisions of this Code and to seek guidance where necessary from their immediate Superior, the HR Department. Any failure to comply with this Code may result in disciplinary action, including the possibility of dismissal and, if warranted, legal proceedings or criminal sanctions.

5.0 Reporting illegal and non-complaint conduct:

Employees shall report any practices or actions believed to be inappropriate or illegal or breach under this Code to their immediate Superiors or the MD/GM according to CEV's "**Whistle Blower Policy**".



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CEV prohibits retaliation against any Employee for such reports made in good faith, while it also protecting the rights of the incriminated person.

6.0 AMENDMENTS TO THE CODE

The provisions of this Code can be amended/ modified by the MD of the Company from time to time and all such amendments/ modifications shall take effect from the date stated therein.

Young Jin Kim
Managing Director

Effective Date: 02.01.2024