

## **CODE OF CONDUCT FOR DIRECTORS OF ESAB INDIA LIMITED**

The members of the Board of Directors of ESAB INDIA LTD. acknowledge and accept the scope and extent of their duties as Directors. They have a responsibility to carry out their duties in an honest and businesslike manner and within the scope of their authority, as set forth in the laws of India as well as in the Memorandum and Articles of Association of the Company. They are entrusted with and are responsible for the oversight of the assets and business affairs of ESAB India Ltd. in an honest, fair, diligent and ethical manner. As Directors, they must act within the bounds of the authority conferred upon them and with the duty to make and enact informed decisions and policies in the best interests of the Company and its shareholders. The Board of Directors has adopted the following Code of Conduct and the Directors are expected to adhere to the standards of loyalty, good faith, and the avoidance of conflict of interest that follow.

### **Code of Conduct**

Board Members will:

- act in the best interests of, and fulfill their fiduciary obligations to the Company and its shareholders;
- act honestly, fairly, ethically and with integrity;
- conduct themselves in a professional, courteous and respectful manner and not take improper advantage of the position of Director;
- comply with all applicable laws, rules and regulations;
- act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated;
- not use the Company's property, information, position or opportunities for personal gain;
- act in a manner to enhance and maintain the reputation of the Company;
- disclose potential conflicts of interest that they may have regarding any matters that may come before the Board and abstain from discussion, voting or otherwise influencing a decision on any matter in which the Director has or may have a conflict of interest;
- make available to and share with fellow Directors information as may be appropriate to ensure proper conduct and sound operation of ESAB India Ltd. and its Board of Directors;
- respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service as Directors, except when authorized or legally required to disclose such information;
- not use confidential information acquired in the course of their service as Directors for their personal advantage or for the advantage of any other entity;
- help create and maintain a culture of high ethical standards and commitment to compliance;
- regularly assess their performance and effectiveness as a Board, of the Board's committees and that of individual directors; and
- if independent Directors, ensure their independence from stakeholder influence by complying with the following additional requirements.

**Independent Directors** – Directors shall be deemed such if they are independent of influence by any one or more of the Company's stakeholders. An impairment of independence from stakeholder influence will be deemed to potentially exist in any of the following situations:

- if the laws & regulations applicable to the Company deem it so;
- if such a Director has provided the Company's management with any advice or assistance in a capacity other than that of a Director;
- if such a Director had advocated management's or any stakeholders' interests in any forum;
- if such a Director shares economic interests with the Company or any of its stakeholders;
- if the Director receives any remuneration or reward in cash or in kind, directly or indirectly, from any stakeholder;
- if such a Director has put himself into any situation of subservience to any stakeholder;
- if such a Director has accepted any gifts or favours from any stakeholder in excess of those given in the course of normal social intercourse;
- if such a Director is financially dependent on his income from the directorship.

For this purpose stakeholders are the members of senior management of the Company, its significant customers, its significant vendors, its significant financiers, its significant shareholders and their relatives, business partners, group companies and other businesses in which they have a significant interest.

For this purpose where a relative or a business associate of an Independent Director places himself in such a situation, that, too, would be deemed a potential impairment of the concerned Director's independence.

When an Independent Director becomes aware of any such potential impairment of his independence, he will draw the attention of the Board to such a situation. Where the Board is satisfied that the concerned Director's judgment as a Director is not likely to be, and is not likely to be perceived to be, influenced by such situation, it can resolve to hold his independence as remaining unimpaired, except where the impairment arises from the application of laws and regulations. The Board may provide for any specific safeguards to be put in place to put beyond doubt the effect of any perceived impairment of the Director's judgment on the Board's decisions.

A Director who has concerns regarding compliance with this Code should raise those concerns with the Chairman of the Board and the Chairman of the Audit Committee, who will determine what action shall be taken to deal with the concern. In the extremely unlikely event that a waiver of this Code for a Director would be in the best interest of the Company, it must be approved by the Audit Committee and the Board of Directors.

Directors will annually sign a confirmation that they have read and will comply with this Code.

Adopted by the Board of Directors of ESAB India Limited  
as of 14<sup>th</sup> December 2005.