

CUMMINS INDIA LIMITED

Code of Conduct

1. Introduction and Objective :

Cummins Group is committed to follow the best business, commercial and legal practices. In line with the same, Cummins Inc. adopted "Cummins Code of Business Conduct" which is applicable to all Cummins Group entities worldwide.

Additionally, this Code has been adopted by the Company ("Cummins") in compliance with Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (erstwhile 'Code of Conduct for Board of Directors' adopted pursuant to Clause 49 of the Equity Listing Agreement by SEBI).

This Code is intended to guide the Board Members and Senior Management to support this commitment.

2. General Principle :

The Board Members and Senior Management are expected to strive to perform their duties according to the highest standards of honesty, integrity, accountability, confidentiality and independence.

3. Applicability :

This Code of Conduct is applicable to all Directors and Senior Management of Cummins.

4. General Duties and Responsibilities :

4.1. The Directors and Senior Management shall assume following duties and responsibilities:-

- a. duty of care and skill in the discharge of functions as a director or Senior Management;
- b. duty not to be negligent and not to commit or let others commit tortuous act;
- c. duty not to exceed delegated powers entrusted by the Board or any Law applicable to Cummins; and
- d. duty to act in the best interests of the Stakeholders and Customers

5. Meetings of the Board of Directors :

5.1. The Directors shall strive to attend maximum number of meetings of the Board of Directors and the Committees thereof. The Directors shall participate actively in the proceedings of the Meetings and deliberate best of their professional/business expertise for attainment of Cummins' Vision and Mission statement.

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6. Disclosure of Interest by Directors:

- 6.1. Every Director who is anyway, whether directly or indirectly or through relatives, concerned or interested in a contract or arrangement, entered into or to be entered into, by or on behalf of Cummins and on annual & periodic basis, shall disclose his / her concern or interest to the Board. In a Board Meeting, no Director shall participate and vote in the proceedings of an item in which he is interested.
- 6.2. No Director shall disclose to public / media any information or news about the Company without prior approval of the Board of Directors.

7. Confidentiality :

- 7.1. Directors and Senior Management are duty bound to ensure that the confidential information obtained by them as Directors of Cummins is not directly or indirectly, divulged. Directors and Senior Management must not disclose or make use of the confidential information for any purpose otherwise than for the benefit of the Company.

8. Competitors :

- 8.1. No Director shall join the Board of any competitor of Cummins or accept any employment/ assignment from the competitor except with the permission of the Board of Directors obtained in a duly constituted Board Meeting. No Director shall compete with Cummins by entering into any business similar to the business of Cummins.

9. Dealings in Securities :

- 9.1. No Director and Senior Management shall deal in any security of the Company except in accordance with the Insider Trading Code of Cummins and the relevant Rules and Regulations as may be applicable to Cummins from time to time. Any acquisition / disposal of securities of the Company by any Director shall be informed to Cummins within 2 Trading days of such acquisition / disposal of securities.

10. Proper use of Company Assets :

- 10.1. Directors and Senior Management must protect the Assets of the Company and ensure its proper use. Directors and Senior Management must not use the services of Cummins employees, its suppliers or other Assets for their personal benefit or purposes which are not permitted.

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11. Compliance :

11.1. Each Director and Senior Management shall annually certify to Cummins, compliance with this Code of Conduct.

12. Additional Duties of Independent Directors :

12.1. Guidelines of professional conduct

- a. uphold ethical standards of integrity and probity;
- b. act objectively and constructively while exercising his / her duties;
- c. exercise his / her responsibilities in a bona fide manner in the interest of the Company;
- d. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- e. not allow any extraneous considerations that will vitiate his / her 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;
- f. not abuse his / her 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;
- g. refrain from any action that would lead to loss of his / her independence;
- h. where circumstances arise which make an independent director lose his / her independence, the independent director must immediately inform the Board accordingly;
- i. assist the company in implementing the best corporate governance practice

12.2. Role and functions

- a. 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;
- b. bring an objective view in the evaluation of the performance of board and management;
- c. scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e. safeguard the interests of all stakeholders, particularly the minority shareholders;
- f. balance the conflicting interest of the stakeholders;

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- g.** 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;
- h.** moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

12.3. Duties

- a.** undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- b.** 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;
- c.** strive to attend all meetings of the Board of Directors and of the Board committees of which he / she is a member;
- d.** participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e.** strive to attend the general meetings of the Company;
- f.** act within his / her authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- g.** 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;
- h.** keep themselves well informed about the company and the external environment in which it operates;
- i.** not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- j.** 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;
- k.** 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;
- l.** report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- m.** 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.

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12.4. Separate Meetings of Directors:

- a. hold at least one meeting in a year, without the attendance of non-independent directors and members of management to,
 - i. review the performance of non-independent directors and the Board as a whole;
 - ii. review the performance of the Chairperson, taking into account the views of executive directors and non-executive directors;
 - iii. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Approved By: Board of Directors

Initial Effective Date: January 28, 2005

First Modification Date: September 10, 2014

Last Modification Date: March 30, 2023