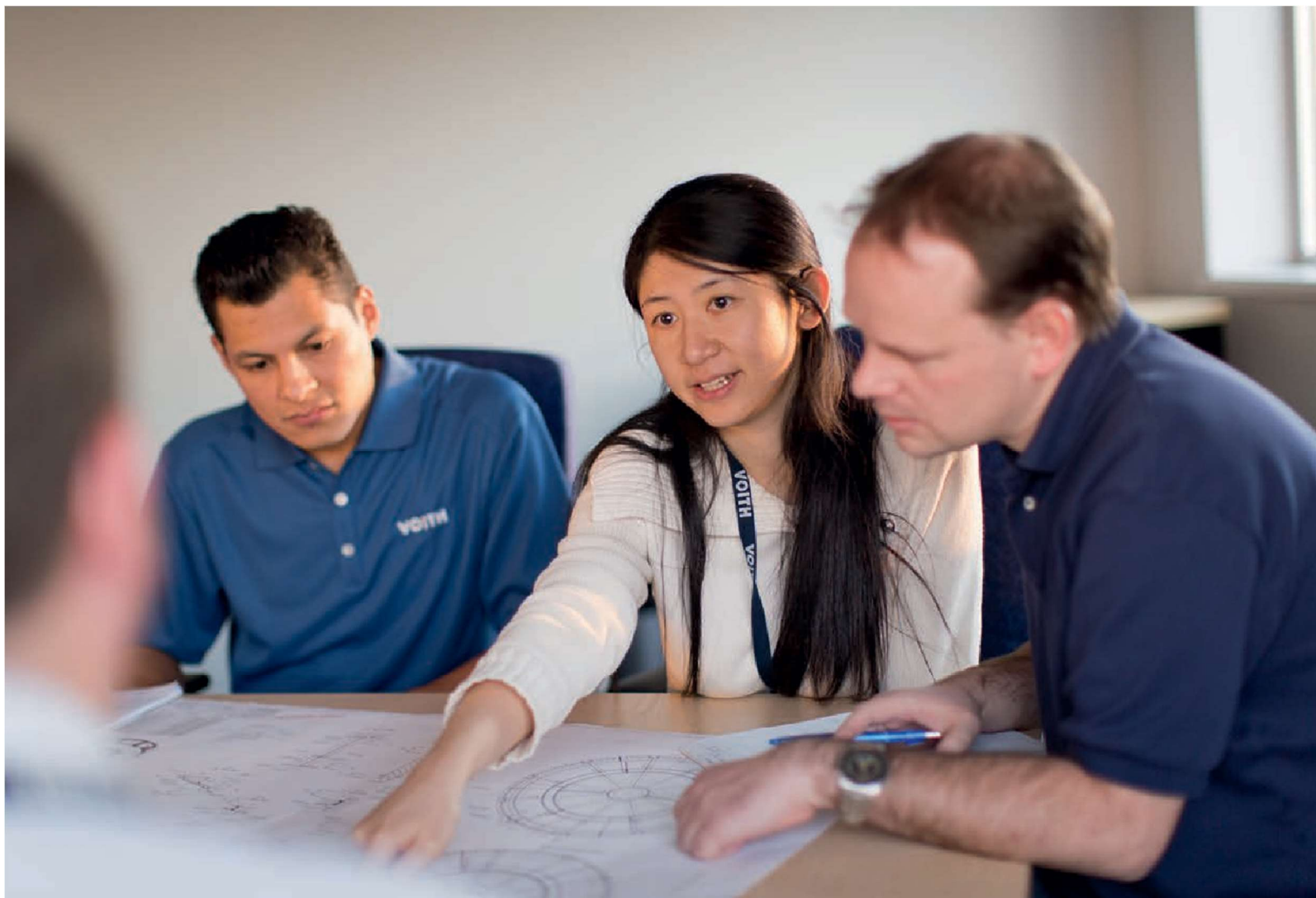


Voith Paper Fabrics India Limited

Code of Conduct



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1

Introduction and statement of principles

The trust we receive from our customers, owners, employees and the public depends critically on the conduct of each individual in the company. It is based upon strict compliance with the law and with all of our internal rules.

Compliance principles can be successfully implemented only if all employees abide by the rules of this Code of Conduct in equal measure.

Voith is aware of its responsibility to society, and it acts accordingly. We acknowledge the duty of our company and our employees to serve the common good. In this Code of Conduct, therefore, Voith has summarized the most important mandatory standards applicable to all Voith employees worldwide. In doing so, it continues the culture of honesty and decency that has long existed at Voith. This Code of Conduct is also meant to serve as a guide to employees, helping them to act for the good of the company. This responsibility is both a privilege and a duty. Each employee must ensure his or her conduct is always in keeping with the rules set forth in this Code of Conduct. Our managers must not only communicate these rules in an effective manner, they must lead by example and require compliance from their teams. They are the first to be consulted if there are any questions about this Code of Conduct.

This Code of Conduct and the standards contained herein are part of our risk-management system, the purpose of which is to protect Voith and each of its employees. The Code describes a minimum standard that can be augmented regionally in accordance with stricter local legal requirements and cultural customs. In cases where, in addition to this Code of Conduct, Voith has issued separate corporate guidelines on special matters, they shall remain applicable as supplementary regulations. The latest Group Directives are accessible to all employees in the "Group Directives" section of the Voith Intranet.

This Code of Conduct, including the Group Directives mentioned herein, is binding on all Voith employees.

This Code of Conduct, including all Group Directives referenced herein is valid and binding for all employees of the Voith Group worldwide. In addition, Voith expects other persons hired by the company (such as trainees and consultants) to adhere to it.

The regulations contained in this Code of Conduct apply to relationships between each of the companies in the Voith Group and its employees. It does not create, and shall not constitute a basis for, third-party rights.

The Compliance Committee has final authority to decide any disputed issues related to this Code of Conduct.



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Conduct towards business partners and the general public

Besides expecting high-quality products and services, our customers, suppliers and other business partners expect a high degree of professionalism and integrity in our dealings with them. For this reason, our communications and contractual relationships should always be characterized by correctness, honesty and transparency. Our conduct towards the general public, too, must always be in line with the law.

2.1 Fair competition

Voith is committed to free competition. Cartel / competition / antitrust law violations restrict competition. Therefore, such violations are not tolerated by Voith.

Voith observes the rules of fair competition and supports all efforts to preserve a free market and open competition, both nationally and internationally. Voith will therefore not pursue any contract if doing so would violate applicable laws.

2.1.1 Agreements, cartels and waivers of competition

All employees are required to obey the laws against restraint of trade. Formal or informal agreements with competitors for the purpose of obstructing competition are therefore prohibited. The same applies to behavior based on tacit understandings. Accordingly, it is not permitted to demarcate sales areas or divide up customers with a competitor, nor may there be any agreements or exchanges of information with competitors concerning prices, supply relationships, business terms, capacities, market shares, profit margins, costs, customer data, bid contents or bidding behavior.

If Voith achieves a dominant market position, such position must not be exploited in an illegal manner.

All proposed agreements with competitors must be submitted in advance to the responsible legal department for review and presented to the CFO of the Group division for approval. If the legal department concludes the agreement in question cannot be entered into, the respective CFO is not permitted to give approval and the matter must be forwarded to the Compliance Committee.

2.1.2 Public procurement law

In its endeavors to obtain public and private orders, Voith fulfils the applicable public procurement requirements. We prepare our bids for public and private customers using truthful and complete information and guarantee full transparency. We do not gain any unfair advantage.

2.1.3 Corruption and bribery

Voith will not tolerate corruption or bribery in any form. All of its business activities must be conducted in a spirit of honesty and responsibility.

2.1.3.1 Offering and granting benefits

As competitors, we rely on the quality and performance of our products and services. We therefore do not allow any agreements that involve granting benefits, either directly or indirectly, to individuals or organizations in connection with arranging, awarding, approving, implementing or paying for contracts. This applies in particular to agreements with business partners, their employees and officers, but it extends to third parties as well. The same holds true for the granting of benefits in dealings with public authorities. Such payments are unacceptable whether they are in the form of money or goods. The granting of benefits to an individual can also be unacceptable if the individual only benefits indirectly, for example if payments are made to a family member or if payments (such as donations) are made to a third party and the individual's social or political standing is enhanced as a result.

Gifts and invitations are permitted only if they are not large enough in terms of value, financial scope or other benefits so as to improperly influence the recipient's actions or decisions or to create a state of obligation on the part of the recipient. When issuing invitations to an event or gathering, it must additionally be ensured that the event is of a size and type that is customary in business circles and that it is specifically related to business activities. Especially strict standards must be applied in the case of public officers. Monetary gifts, are prohibited under all circumstances. The details are set out in a Group Directive.

Compensation to third parties, in particular agents, brokers and other mediators, in the form of commissions or other payments must be plausible and be proportionate to the work performed. Such compensation must be provided in an amount that does not suggest it is being used to circumvent the rules on granting benefits. Agreements with agents, brokers, consultants and other advisors, including all later amendments, must be made entirely in writing and commit the contracting parties to observe the above principles at all times and abstain from bribery. The details are set out in a Group Directive.

Voith will not tolerate corruption or bribery.

Decisions taken by our business partners must not, under any circumstances, be influenced by gifts or invitations.

All remunerations made by Voith must be justified, appropriate and traceable.

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Voith employees are allowed to accept only low-value, occasional gifts during the course of business dealings. Monetary gifts are fundamentally prohibited.

All donations at Voith are made in a transparent manner and to organizations and institutions with an impeccable reputation.

2.1.3.2 Demanding and accepting benefits

Although it is customary among business partners to exchange gifts of a limited size, the acceptance of gifts can damage the reputation of our company and lead to conflicts of interest. For this reason our employees are strictly prohibited from demanding or accepting personal benefits such as services or inappropriate invitations, whether for their own advantage or for that of individuals or institutions close to them. Occasional gifts of a small value are an exception. Gifts of money are not allowed under any circumstances. Offers of gifts or benefits must be refused and reported to the supervisor. The rules set forth in 2.1.3.1 apply here accordingly. The details are set out in a Group Directive.

2.1.3.3 Donations and sponsoring

Voith receives requests for donations from a wide range of organizations and institutions. Donations must be made in a transparent manner, which means the recipient and the intended use must be known. Payments to private bank accounts are not permitted. No donations may be made to organizations that could damage Voith's reputation. When donations are granted, the rules set forth in 2.1.3.1 and 2.1.3.2 above must be observed; this applies in particular to donations made near the time when a contract is awarded or donations related in content to a contract. Donations of all kinds to political parties require the approval of the Corporate Board of Management.

In the case of sponsoring there must be a reasonable relation between the amount of support Voith gives and the value Voith receives in return.

The details are set out in a Group Directive.

2.2 Selection of suppliers and service providers

Voith conducts fair and unbiased examinations of all offers submitted by its suppliers. The assessment, awarding and handling of a contract must be based on strictly professional criteria and be carried out in a transparent manner. Giving undue preference to a supplier or impeding its efforts to win a contract is not allowed.

When selecting business partners, Voith requires that they, too, shall respect the values set forth in this Code of Conduct. An offense or violation committed by a partner can lead to termination of Voith's business relationship with the partner.

2.3 Conduct towards the general public

Our dealings with the general public also must be in line with the law. This also applies, in particular, to the statutory requirements for the following issues:

2.3.1 Money laundering

Money laundering is the term used to describe the concealment of the true origin of financial means and other assets that have been acquired from criminal activities (e.g. bribery or terrorism) by channeling them into the legal financial and economic cycle. Voith rejects any form of money laundering, does not engage in money laundering activities and takes suitable measures to ensure the company is not manipulated or used for money laundering activities.

Every employee is encouraged, in case of doubt, to have the competent compliance officer or the Group Legal Department check any unusual financial transactions, especially those involving large sums of cash that may be grounds for suspicions of money laundering, as well as suspicious behavior by customers, consultants and other business partners.

2.3.2 Export control

Voith is a global company. In our existing activities, as well as those associated with developing new markets, the applicable external rules and regulations for import and export control, as well as applicable economic embargos, must be observed. Voith employs appropriate procedures and processes to ensure compliance with the rules and regulations as stated, which concern not only physical goods but also information, technologies and services, for example. A check must be made for every business transaction that relates directly or indirectly to foreign business to ascertain whether an applicable prohibition or a duty to obtain a permit exists. The details are set out in a Group Directive.

2.3.3 Taxes and levies

As a global company, Voith is governed by the tax laws of numerous countries. For Voith, fulfilling its tax obligations under applicable laws and hence also meeting the social responsibility of a company is a matter of course. Failure to meet tax obligations damages our good reputation and undermines the trust of our customers, suppliers and other business partners, as well as of our owners and employees. Moreover, significant financial risks exist in the form of tax arrears payments and penalties, and the employees responsible could face criminal consequences.

Voith takes the measures necessary to stop money laundering.

Export control reduces the risk of Voith products or Voith technologies falling into the wrong hands.

Voith meets its tax obligations.

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Management and employees at Voith

High motivation and productivity, as well as respect in our dealings with employees, must go hand in hand to ensure sustained company success. Voith's economic success depends on the help and cooperation of its employees worldwide.

Managers at Voith have a special function as role models.

Business decisions are taken exclusively in the company's interest and must not be influenced by private or personal interests.

3.1 Leadership and trust

All of our employees must adhere to this Code of Conduct, and our management personnel shall set an example. They are responsible for ensuring there is sufficient supervision to prevent any violations of the Code of Conduct in their area of responsibility.

3.2 Fair working conditions

Voith gives its employees fair pay and provides fair working conditions in compliance with all statutory requirements. We reject any obstruction of lawful employee representation.

3.3 Avoidance of conflicts of interest

It is important to Voith that its employees do not have conflicts of interest or loyalty in the course of their work. Such a conflict can occur if, for example, there are business transactions between Voith companies and employees or members of their families. Any such transaction must be disclosed in advance to the employee's supervisor.

3.3.1 Outside employment

If an employee intends to take up gainful outside employment, they must obtain written consent from their HR Department.

3.3.2 Political activities

Voith does not participate in activities involving political parties. However, under no circumstances will it deter its employees from taking part in lawful political activities during their nonworking hours. We expressly welcome our employees' involvement, as citizens, in the affairs of society and their participation in social and charitable activities. Employees who are engaged in such activities do so as private individuals. However, we expect them to make sure there are no conflicts of interest with the company.

3.4 Protection of assets

Voith requires its employees to protect the tangible and intangible assets of the company. Those assets include property, production equipment and inventory stocks; securities and cash; office equipment and supplies; information systems and software. Violations of the law such as fraud, theft, embezzlement and money laundering will be prosecuted. The details are set out in a Group Directive.

Machinery and equipment may only be used for work-related purposes unless private use is expressly permitted. Internet users must take care not to retrieve or transmit any information that could incite hatred against social groups or related individuals, glorify violence or other crimes, or have an offensive content.

3.5 Patents and intellectual property rights

In order to maintain our competitiveness, we must continue to develop our proprietary technology by creating inventions and improving our know-how. Protecting our technology by means of intellectual property rights such as patents and trademarks, as well as guarding our know-how, are therefore becoming increasingly important.

Employees must therefore not pass information about new discoveries or company secrets in any form to third parties. All employees must respect valid intellectual property rights of third parties. No employee is allowed to obtain secrets from third parties or make unauthorized use of such secrets.

The details are set out in a Group Directive.

3.6 Use of information

We expect employees to take appropriate care when using company information. Details on the responsible use and labeling of know-how and confidential information (e.g. encryption and labeling) are set out in a Group Directive.

3.6.1 Confidentiality

Confidentiality must be maintained concerning in-house matters that have not been disclosed to the public. This also applies to inventions and other kinds of know-how, which are essential to the long-term success of the Voith Group. Employees must therefore not pass information about new discoveries or company secrets in any form to third parties. This also applies after termination of employment.

Each and every employee is responsible for protecting the company's assets and operational information.

The protection of our intellectual property is of paramount importance.

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Voith understands data privacy not only as a legal requirement, but also as an expression of honest and fair conduct vis-à-vis employees and business partners.

3.6.2 Privacy and information security

The global electronic exchange of information is essential for effective work and business success in general. But besides having benefits, electronic communication can pose risks to privacy and data protection. It is therefore a declared corporate objective to protect the privacy rights of employees and business partners. For this purpose, Voith ensures a globally appropriate level of data protection in compliance with applicable law. Official documents and data storage media must therefore be protected from access by third parties at all times. Both managers and employees must take effective protective measures against these risks, and this is an important component of IT management.

The details are set out in a Group Directive.

3.6.3 Insider knowledge

It is not permissible to derive personal advantage or advantages for others through the use of in-house knowledge or information. The same applies to unauthorized disclosure of such knowledge or information.

3.6.4 Correct reporting

When making oral or written reports for internal or external use, employees are obligated to state the truth. Manipulation of content is prohibited.

3.7 Occupational safety, health, environmental protection and sustainability

Health, safety and environmental protection generate added value for employees, the company, and the environment.

Voith makes every effort to protect the lives and health of its employees and deal responsibly with resources and hazardous materials. All employees must avoid hazards in the workplace, minimize harm to the environment and use resources economically. In developing and manufacturing our products, we adhere to the principles of sustainability and environmental compatibility.

The details are set out in a Group Directive.

3.8 Quality

The quality of our products and services is the basis of our success. This quality is therefore especially worthy of protection.

The market success of our products and services is inextricably linked to their quality. We expect maximum creativity, skill, and care on the part of our employees, and thereby demonstrate to our customers and third parties that we maintain high standards.

We will not tolerate intentional or negligent conduct that results in diminished quality.

Respect, tolerance and equal opportunities

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Voith respects human rights worldwide. As a company with a global reach, Voith works with employees and business partners of many different nationalities, cultures and customs. For us, respectful and polite dealings with all of our employees and business partners at all times is a matter of course. We therefore respect the personal dignity and personal rights of each and every individual and do not tolerate unequal treatment (discrimination), harassment or degradation in violation of the law. In particular, we do not tolerate discrimination on account of race, ethnic origin, gender, religion or worldview, political opinions, age or gender identity. We reject any form of forced or child labor.

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Implementation of the Code of Conduct

5.1 Compliance organization

Voith has established a Compliance Committee. Its task is to further develop and implement the Voith Compliance Program.

The Voith risk-management system provides for CFOs to act as compliance officers at the divisional level and to implement this Code of Conduct. For the individual Voith companies and operating units, compliance officers will be nominated by the CFO of the Group division concerned.

5.2 Advice

Voith provides its employees with information and aids to help them comply with the law and this Code of Conduct. In particular, this includes training sessions on specific topics and selected areas of risk. If employees nevertheless have questions, they can submit them to the CFO of the company, their operating unit or their Group division, to the responsible legal or human resources department or to the members of the Compliance Committee. In addition, Voith has established a help desk to answer questions of this kind. The relevant contact data and further relevant information on the subject of compliance can be found on the Voith Homepage and in the "Compliance" section of the Voith Intranet.

5.3 Complaints and reports of misconduct

Anyone who raises compliance concerns in good faith does not have to fear any adverse measures.

Any employee can and has the right to report a violation or suspected violation of the Code of Conduct to Voith. At the employee's discretion, the contact for this purpose can be the direct supervisor, the responsible human resources employee, the CFO of the company, the operative unit, the CFO of the Group division or any member of the Compliance Committee. Suspicious cases can also be reported to the help desk. The necessary contact data will be made available throughout the Group through suitable channels, including publication on the Voith Homepage and the "Compliance" section of the Voith Intranet.

An employee who, with a reasonable, good-faith basis, honestly believes the Code of Conduct has been or might have been violated, and who makes use of the right to report this to Voith, will not suffer any kind of retaliation. In each such case, Voith will take the necessary steps to protect the employee against such retaliation. To the extent possible and legally permissible, Voith will maintain confidentiality about the identity of any employee who follows this procedure to report a violation or suspected violation of the Code of Conduct. The same applies to the identity of employees who cooperate in the investigation of such violations or suspected violations.

5.4 Implementing regulations

Voith will issue additional regulations concerning the implementation of selected items in this Code of Conduct. These regulations will also deal with questions about interpretation and approval procedures.

The Voith Group Code of Conduct is available in several languages. In the event of any differences or contradictions between the different versions, the German version shall take precedence.

In order to improve the readability of this Code of Conduct, we have refrained, in the absence of a gender-neutral formulation, from citing both the masculine and other forms. The selected masculine formulation therefore also applies to the other genders to full effect.

The latest version of this Code of Conduct is available on the Internet at www.voith.com/compliance.



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Export control reduces the risk of Voith products or Voith technologies from falling into the wrong hands.

Health, safety and environmental protection generate added value for employees, the company, and the environment.

Voith meets its tax obligations.

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The protection of our intellectual property is of paramount importance.

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VOITH