

TIMKEN INDIA LIMITED

STANDARDS OF BUSINESS ETHICS POLICY – CODE OF CONDUCT

Timken India Limited's Standards of Business Ethics Policy is the foundation of its outstanding reputation for integrity, ethics and respect for the law. This Policy contains the moral and ethical standards by which each associate, officer and director of the Company is to conduct the business activities of Timken India Limited. Every associate, officer and director needs to understand and adhere to these Standards. Reference to 'director' in this policy shall include every category of director, including an Independent Director of the Company.

A. INTEGRITY

The business of Timken India Limited shall continue to be conducted according to the highest standards of integrity and ethics, with due regard for all applicable laws. Each associate, officer and director is expected to exercise sound judgment in all matters involving business ethics and integrity and to refrain from any conduct that could be questionable on ethical grounds.

B. COMPLIANCE WITH LAWS

Fundamental to our high ethical standards is that all Associates, Officers and Directors are expected to be familiar with the laws, rules and regulations applicable to their areas of responsibility. Some of the more common laws, rules and regulations are set forth in this Policy, below. In addition, TIL's Compliance Committee maintains a list of laws that pertain to TIL. If any question arises concerning the applicability of a prevailing law to a contemplated action, the Finance Controller & Company Secretary or Manager – Legal should be consulted. All Associates, Officers and Directors are expected at all times to comply with all applicable laws and regulations and to comply fully with the policies of the Company.

C. DUTIES AND RESPONSIBILITIES OF INDEPENDENT DIRECTORS

- I. An independent director shall:
 1. uphold ethical standards of integrity and probity;
 2. act objectively and constructively while exercising his duties;
 3. exercise his responsibilities in a bona fide manner in the interest of the company;
 4. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
 5. not allow any extraneous considerations that will vitiate his 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 his 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 his independence;
8. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
9. assist the company in implementing the best corporate governance practices.

II. 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 he is a 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. acting within his authority, 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.

D. EQUAL EMPLOYMENT OPPORTUNITY

All Associates and applicants shall be treated equally according to their individual qualifications, abilities, experiences and other employment standards. There will be no discrimination due to race, religion, color, national origin, sex, age, disability or veteran/military status. The prohibition of discrimination based on sex includes sexual harassment. Every associate, officer and director is expected to comply with the Company's policy against harassment, a copy of which may be obtained from Manager – Legal, if necessary.

E. ENVIRONMENTAL RESPONSIBILITY

It is the policy of Timken India Limited, as an environmental leader, to protect the environment for the health, safety and quality of life of our communities, our Associates, our customers and the public. Compliance is the baseline of performance for all Timken operations and Associates. Every associate should be familiar with the Environmental Policy Statement, a copy of which may be obtained from Manager – Legal, if necessary.

E. SAFETY

Our goal is to protect all Associates from work hazards and personal injury. Our Workplace Safety and Health Policy contains our objectives and strategies to meet our goal. All operations of the Company are subject to this Policy, a copy of which may be obtained from Manager – Legal, if necessary.

F. INSIDE INFORMATION

Until its release to the public consistent with applicable laws, material non-public information is considered inside information and is governed by these laws. These laws prohibit the use of such inside information in buying or selling securities of the Company nor shall such inside information be used to recommend the purchase or sale of securities of the Company to others. Each associate, officer and director is expected to comply with the Company's Policy regarding Trading in Shares and for details may contact Finance Controller & Company Secretary.

G. FAIR DEALING

The Company is committed to dealing fairly and honestly with its customers, suppliers and competitors.

Doing business in an honest and fair manner with our customers means that we must earn their business based on the quality of our products and services and our ability to fulfill our commitments. Associates, Officers and Directors may not offer customers (or Associates of customers) any benefits, rewards or things of value, which may violate the law, the customer's policies, or our business practices.

Associates responsible for buying or leasing materials and services on behalf of the Company must do so objectively. Associates must not accept or seek out any benefit from a supplier or potential supplier that would even appear to compromise their judgment.

Our policy is to compete solely on the merits of our products and services. No false or misleading statements or innuendo about our competitors, their products or their services will be tolerated. All comparisons of our products or services with those of our competitors must be accurate and factually supported. Associates, Officers and Directors are strictly forbidden from using any illegal or unethical methods to gather competitive information.

H. ANTITRUST (COMPETITION) LAWS

Associates should avoid contacts with competitors and their employees except in those limited situations where contacts are clearly necessary and for a lawful purpose. All Associates in sales, product pricing, marketing functions and purchasing, as well as other Associates requiring further information regarding

antitrust laws to the extent of operations of TIL in India, should obtain the Antitrust Guidelines and applicability of Competition Act and other MRTP Legislations from Manager – Legal.

I. COPYRIGHTS

Associates may copy software or publications (including downloading materials from the Internet) that are copyright protected only in certain instances. Those instances are when permitted by the license agreement, with the written permission of the copyright owner, when it is clearly a fair use, or otherwise with the approval of Dy. Managing Director.

J. EXPORT

It is the responsibility of each associate to ensure that the relevant export laws, regulations and procedures are being followed when that associate is exporting goods, technical data and/or software. This responsibility includes verifying that the correct license is used on any export declaration or other document required for export.

An "export" includes the transfer of any goods, technology or software from one country to another, even if from one Timken unit to another Timken unit. "Export" also includes the transfer of goods, technology and software from one person to another, where the persons are citizens of different countries, even if they are both Timken Associates, and even if the persons both work at the same location. Depending on the nature of the goods, software and technology, the destination and recipient, such export may require a license, or even be prohibited. Associates exporting goods, software or technology are expected to know what, if any, restrictions or prohibitions apply to the export and comply with same.

K. CUSTOMS AND IMPORT

Each associate is expected to understand and comply with the laws and regulations that apply to importation of merchandise.

Some general customs and import requirements include: at the time of import, that the import documentation include an invoice which states the "arms length" value of the merchandise being imported; the proper tariff classification; the correct country of origin (you will need expert assistance, if the merchandise was processed in multiple countries, or includes components from multiple countries) and the correct quantity. These requirements hold true regardless of whether the transaction is with a third party, or a related party transaction (e.g., Timken to Timken). Proper classification (including the correct country of origin) is especially important if the merchandise may be subject to an "anti-dumping" order. These and other customs requirements usually require an expert, so Associates must contact the appropriate transportation manager or other expert (as set out on the intranet web site, above) for advice and assistance, prior to the

Company importing any raw materials, products, machinery, tooling, dies or other merchandise.

In no event should any associate or agent attempt to transport from one country to another, or otherwise carry on their person with the intent to transport from one country to another, any merchandise such as tooling, machine parts, or other equipment or items which have not been appropriately declared with customs officials and duty paid (this excludes "tools of the trade", which the associate or agent retains, and are required for their job).

L. POLITICAL AFFAIRS

No contributions from Company funds are to be made directly or indirectly, to any political candidates or political organizations unless permitted by law and approved by the Chairman & Managing Director. The Company will not reimburse an associate, officer or director for personal contributions.

M. CONFLICTS OF INTEREST

Each associate, officer and director has the legal duty to carry out his or her responsibilities with the utmost good faith and loyalty to the Company. An associate, officer and director should never place himself or herself in a position where his or her personal interests could interfere in any way – or even appear to interfere – with the interests of the Company or any of its subsidiaries. Such a situation could arise when an individual takes actions or has interests that may make it difficult to perform his or her Company-related work objectively and effectively. While not every situation contrary to this policy can be listed here, the following situations are prohibited.

- (1) Competing against the Company.
- (2) Holding a significant financial interest in a company doing business with or competing with the Company.
- (3) Accepting gifts, gratuities or entertainment from any customer, competitor or supplier of goods or services to the Company except to the extent they are customary and reasonable in amount and not in consideration for an improper action by the recipient;
- (4) Using for personal gain any business opportunities that are identified through your position with the Company.
- (5) Using Company property, information or position for personal gain. All Company property, including proprietary and confidential information, may be used only in connection with Company business. The duty to preserve the confidentiality of proprietary and confidential information continues even after you have left the Company.
- (6) Maintaining other employment or a business that adversely affects your job performance at the Company.
- (7) Doing business on behalf of the Company with a relative or another company employing a relative.

Associates involved in political or civic activities need to ensure they clearly communicate that the stated views are their individual views, and not that of the Company. Further, such involvement can put Associates in a situation in which a conflict of interest with the Company arises - for example, if they hold political office in a community, and that community is negotiating with the Company on a matter.

Any potential conflict of interest must be disclosed to your supervisor or Manager – Legal or the Dy. Managing Director for review.

N. MISUSE OF ASSETS OR SERVICES; ACCURATE AND COMPLETE RECORDS

Using any funds or other assets of the Company or its subsidiaries, or providing any services for any purpose, that is unauthorized by the Company or violates the law of any applicable jurisdiction (domestic or foreign) is strictly prohibited.

Associates shall, at all times comply with the Computer Security Statement of Policy as set forth in the associate handbook.

Associates should ensure that corporate records fairly and accurately reflect all transactions and dispositions of our assets in reasonable detail. No false or artificial entries shall be made in any Company books or records for any reason, and no associate shall engage in any arrangement that results in such a prohibited act. No payment shall be approved or made with the intention or understanding that it is to be used for any purpose other than that described by the document supporting the payment. Associates are expected to cooperate fully with our internal and external auditors.

Associates are reminded that the Company's document retention policy prohibits the destruction or alteration of documentation undertaken with the intent to obstruct any pending or threatened investigation or lawsuit or other proceeding of any kind, or in contemplation of a such a proceeding.

O. PUBLIC REPORTING

Timken India Limited is a public company and as a result files reports and other documents with the Securities and Exchange Board of India (“SEBI”) and the Stock Exchanges. The Company also issues press releases and makes other public statements that include financial and other information about the Company’s business, financial condition and results of operations. The Company endeavors to make full, fair, accurate, timely and understandable disclosure in reports and documents it files with, or submits to, the SEBI and in press releases and public communications.

The Company requires cooperation and open communication with its internal and outside auditors. It is illegal to take any action to fraudulently influence, coerce, manipulate, or mislead any internal or external auditor engaged in the performance of an audit of the Company’s financial statements.

The laws and regulations applicable to filings made with the SEBI, including those applicable to accounting matters, are complex. While the ultimate responsibility for the information included in these reports rests with senior management, numerous other Associates participate in the preparation of these reports or provide information included in these reports. The Company maintains disclosure controls and procedures to ensure that the information included in the reports that it files or submits to the SEBI is collected and communicated to senior management in order to permit timely disclosure of the required information.

If you are requested to provide, review or certify information in connection with the Company's disclosure controls and procedures, you must provide the requested information or otherwise respond in a full, accurate and timely manner. Moreover, even in the absence of a specific request, you should report any information that you believe should be considered for disclosure in the Company's reports to the SEBI.

If you have questions or are uncertain as to how the Company's disclosure controls and procedures may apply in a specific circumstance, promptly contact your supervisor or a more senior manager. We want you to ask questions and seek advice.

P. IMPROPER INFLUENCE, FOREIGN CORRUPT PRACTICES ACT

No offer of or payment of any gift, loan or gratuity is to be made either directly or indirectly to any business or government entity or any associate of such in exchange for or otherwise in an attempt to procure business for the Company. Gifts and entertainment may be used with representatives of customers or potential customers if they are of limited value, are customary in the situation, are legal and their public disclosure would not embarrass the Company. Gratuities may be paid to an associate of a government entity to expedite, or facilitate the performance of a routine administrative function, where such gratuities are legal, customary, are of limited value and their public disclosure would not embarrass the Company.

Q. COMPLIANCE WITH THIS POLICY

All Directors, Associates and Officers of the Company are responsible for the enforcement of and compliance with this Policy and to ensure Associates' knowledge and compliance. All recipients of this Policy and any agents of the Company have the responsibility to fully comply with this Policy. The Dy. Managing Director will hold ultimate responsibility for the interpretation of this Policy.

Although the statements contained in this Policy pertain to many types of business conduct generally considered to be improper, they do not specifically list every type of conduct that the Company would consider undesirable and detrimental to its reputation or interests.

This Policy will be enforced at all organizational levels. Anyone who violates this Policy will be subject to disciplinary action, up to and including discharge.

R. GETTING HELP AND REPORTING VIOLATIONS

Associates who have doubts about the best course of action in a particular situation or have other questions about this Policy are urged to contact their supervisor or manager.

Alternatively, the Dy. Managing Director in Bangalore may be contacted.

Associates are expected to report violations of law or this Policy to the Dy. Managing Director. No retaliation will be taken against anyone for raising any concern, question or complaint in good faith.

This Policy does not in any way alter the right of either the associate or the Company to terminate employment at any time, with or without cause.

S. WAIVER OF THIS POLICY

If an associate believes that a waiver of the policy is necessary or appropriate, including, but not limited to any potential or actual conflict of interest, a request for a waiver and the reasons for the request must be submitted to the Chairman & Managing Director through Dy. Managing Director. Any waiver of the Policy for Directors may be made only by the Board of Directors.

Signature

Printed Name