

**PREMIER FERRO ALLOYS & SECURITIES LIMITED**  
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## **Code of Conduct for Board of Directors and Senior Executives**

### **1. PREAMBLE**

1.1 This Code of Business Conduct ("Code") shall be called "The Code of Conduct for Directors and Senior Management" of Premier Ferro Alloys & Securities Limited (the "Company"). The Code envisages that the Board of Directors and Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and keep themselves informed about the development in the industry in which the Company is involved and the legal requirements to be fulfilled.

1.2 The Code is intended to maintain the high standards of transparency, business conduct ethics, corporate culture and the values. The Code is also to act as a deterrent from unethical doings and to promote ethical values and is the manifestation of the Company's commitment to successful operation of the Company's business in the best interest of the shareholders, creditors, employees and other business associates.

1.3 The principles embodied in this Code lay down broad standards of compliance and ethics, as required by Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "LODR"). The Code also includes the duties of independent directors as laid down in Schedule IV of the Companies Act, 2013.

### **2. APPLICABILITY**

This code is applicable to the Board Members including Independent Directors, members of the Management Committees and all employees upto the level of functional heads (HODs) (hereinafter collectively referred to as "Employee(s)"). All concerned must read, understand and ensure to abide by it in their day to day activities. They may contact the Company Secretary in case any query relating to compliance of this Code.

### **3. HONEST AND ETHICAL CONDUCT**

All Directors and Senior Executives are expected to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working in the Company's premises, sponsored business and social events, or at any other place where Directors and Senior Executives represent the Company.

Honest conduct is understood as such conduct that is ethical, free from fraud or deception and conforming to the accepted professional standards. Ethical conduct includes the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.



#### **4. PROFESSIONAL CONDUCT OF INDEPENDENT DIRECTORS**

The following is a guide to professional conduct for Independent Directors of the Company and also incorporates the duties of Independent Directors of the Company as laid down in the Companies Act, 2013.

##### **A. Guidelines of professional conduct:**

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.

##### **B. Role and functions:**

The Independent Directors shall –

1. 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;
2. bring an objective view in the evaluation of the performance of Board and management;



3. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. satisfy themselves on the integrity of financial information and that financial control and the systems of risk management are robust and defensible;
5. safeguard the interests of all stakeholders, particularly the minority shareholders;
6. balance the conflicting interest of the stakeholders;
7. 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;
8. moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

**C. Duties:**

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.

An Independent Director and a Non-Executive Director (not being promoter or key managerial personnel) shall be held liable only, in respect of such acts of omission or commission by the Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

## **5. CONFLICTS OF INTEREST**

It is expected on part of the employees to make business decisions taking into account best interest of the Company as a whole, without being influenced by personal relationships or benefits. They are expected to apply their proper mind in arriving at sound decision without any conflict of interest, which may adversely affect the company's business. Conflict of interest may occur directly with employees, directors or through their relative or family connection. It may arise when an employee or director or a member of his/her family gets any undue personal benefits or interests due to his/her position with the Company. Under such situation, he/she is expected to disclose to the Departmental Head/ the Board about the same.

## **6. DISCLOSURE**

The Company's policy is to provide full, fair, accurate, timely, and understandable disclosure in reports and documents that are filed with or submitted to any outside agency and in Company's other public communications. Accordingly, the Directors and Senior



Executives must ensure that they and others in the Company comply with Company's disclosure controls and procedures, and the internal controls for financial reporting.

**7. COMPLIANCE WITH LAWS, RULES AND REGULATIONS/ INTERNAL COMPANY POLICIES**

Directors and Senior Executives must comply with all applicable governmental laws, rules and regulations. Directors and Senior Executives must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers, and to know when to seek advice. Directors and Senior Executives must comply with the Company's internal policies.

**8. VIOLATIONS**

In case it is found that any of the employees does not follow this Code by engaging misconduct, the matter would be reviewed by the Board whose decision shall be final and the Company reserves the right to take appropriate action against the guilty employee.

**9. WAIVERS AND AMENDMENTS**

The Company is committed to continuously review and update the policies and procedures. Therefore, this Code is also subject to modification. Any amendment/ inclusion or waiver of any provision of this Code must be approved by the Company's Board of Directors / Committee of Directors and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the modifications.

