



**CODE OF CONDUCT FOR BOARD OF DIRECTORS
AND SENIOR MANAGEMENT PERSONNEL**

1. PREFACE

The matters covered in this Code of Conduct ("**Code**") are of the utmost importance to **Sona BLW Precision Forgings Limited** ("**Company**"), its shareholders and stakeholders and are essential so that the Company can conduct business in accordance with legal and ethical values to which the Company is strongly committed.

In order to set out good corporate governance structure within the Company and in compliance with Regulation 17(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a code of conduct for the board of directors of the Company ("**Board**") and the senior management of the Company.

This Code sets forth guidance and principals to the Board of Directors and Senior Management Personnel to manage the affairs in a fair manner and conduct themselves with stakeholders, government and regulatory agencies, media and etc.

2. APPLICABILITY

The Code applies to the following personnel: Board Members (whether Whole Time Directors or Non-Executive Directors including Independent and Nominee Directors), Senior Management Personnel of the Company.

3. Definitions

In this Code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning as defined below:

"Board/Directors" shall mean the Board of Directors of the Company;

"Company" shall mean Sona BLW Precision Forgings Limited and its subsidiaries;

"Conflict of Interest" means where the interests or benefits of one person or entity conflicts with the interests or benefits of the Company;

"Executive Directors/Whole Time Directors" shall mean and include Company's Managing Director and Directors who are in whole time employment of the Company;

"Independent Directors" shall mean an Independent Director as defined in Section 2(47) and Section 149(6) read with Schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations;

"Non-Executive Directors" shall mean the Directors who are not in whole time employment of the Company.



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“Senior Management” shall mean personnel of the Company who are members of its core management team excluding the Board of Directors and comprises of all members of management one level below the Managing Director and Group Chief Executive Officer including all functional heads.

4. CODE OF CONDUCT

The Board and Senior Management Personnel of the Company should:

1. discharge his / her responsibilities at all times and in such manner so as to ensure that there is compliance with all the laws, rules, regulations as may be applicable to the company or to the transaction or to the person;
2. demonstrate the highest standards of integrity, business ethics, and corporate governance and should ensure to provide full, fair, accurate, timely and understandable disclosures in all reports and documents required to be presented to shareholders, investors and other Government Authorities;
3. avoid being in situations that give rise to conflict between the personal interests of the person and the interest of the Company. Where such a situation is not avoidable, the person shall disclose the matter in writing to his / her superior and in the case of any Director; such disclosure should be made to the Board. Acceptance of any undue offer, gift, money or money's worth or favour, whether for himself/ herself or for family members, from any business associates, is prohibited;
4. provide expertise and experience in their areas of specialization and share learnings at the meetings of the Board with best interests of the Company and its stakeholders in mind. They should point the Company's management in the 'right' direction based on their experience and judgement;
5. respect the confidentiality of all the confidential information, regarding the Company including but not limited to technical processes, patents, business processes, product developments, R&D, expansion plans, prices of goods, raw materials and Plant & Machinery, its customers, suppliers, employees, associates etc., acquired by them in the course of their duties. No such information is to be disclosed except when it is authorised or legally required. The use of such information for his or her own advantage or profit is prohibited;
6. themselves make and ensure the use of Company's Property in most efficient and economic manner. All efforts should be made to protect the Company's Property from any misappropriation, theft, carelessness etc. and the Property must be used for legitimate and official purposes only;
7. avoid discrimination and harassment in any form, on the basis of race, creed, cast, colour, religion and gender;



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8. should focus on customer/ investor satisfaction. They shall ensure that the communications given are accurate and truthful and do not deliberately omit important facts or shall not be of misleading nature;
9. strictly adhere to the Code of Insider Trading of the Company;
10. adhere to fair and lawful competitive practices pertaining to the operation of the Company.

The Company has put in place the Anti-Corruption Compliance Policy and Trade Control Laws Compliance Policy. The Board and Senior Management Personnel shall ensure compliance of the same.

5. ROLE, DUTIES AND FUNCTIONS OF INDEPENDENT DIRECTORS

I. Guidelines of professional conduct:

An Independent Director Shall:

- a) uphold ethical standards of integrity and probity;
- b) act objectively and constructively while exercising his/her duties;
- c) exercise their responsibilities in a bona fide manner in the interest of the Company;
- d) devote sufficient time and attention to his/her 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 their 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 of directors of the Company accordingly; and
- i) assist the company in implementing the best corporate governance practices.



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II. Role and functions:

An independent director shall:

- a) Assist 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 of 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;
- 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; and
- h) Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties

The Independent Directors shall:

- 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 and of the committees of the Board, which the independent director(s) is a member of;
- d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;



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- e) Strive to attend the general meetings of the Company;
- f) 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 meeting of Board;
- g) keep themselves well informed about the Company and the external environment in which it operates;
- h) not to unfairly obstruct the functioning of an otherwise proper the Board or committees of the Board;
- i) 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;
- j) ascertain and ensure that the Company has an adequate and functional Whistle Blower Policy and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- k) Report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any;
- l) acting within his/her authority, assist in protecting the legitimate interests of the Company, shareholders and its employees; and
- 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.

However, in case of any person serving on the Board of the Company as a nominee of any institution or organisation, this code shall apply to such person during his / her tenure as Director of the Company, subject to anything contained herein which is repugnant to the Code of Conduct or the service rules of the institution or organisation who have appointed such persons as its nominee on the Board.

6. ANNUAL AFFIRMATION WITH COMPLIANCE OF THIS CODE

All members of the Board and Senior Management Personnel of the Company shall affirm compliance with this Code on an annual basis.

7. PENALTY FOR BREACH

The Directors and Senior Management are accountable for full compliance with this Code of Conduct. Sanctions for breach of this Code shall be determined by the Board of



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Directors in case of Directors and by the Chairman & Director in case of Senior Management. Sanctions may include disciplinary action, removal from office as well as other remedies, deemed appropriate and permitted by law.

Any significant breach of the Code must be notified to the Board of Directors or the Chairman & Director who will in turn report it to the Board of Directors on the Code's operation and effectiveness along with any significant breach of the Code.

8. INTERPRETATIONS

The Compliance Officer shall be the Co-ordinator for the purpose of this Code. Any question relating to how this Code should be interpreted or applied should be addressed to the Compliance Officer.

This Code has also been uploaded on the Website of the Company i.e. <https://sonacomstar.com/>

9. REVIEW / AMENDMENT

The Board may amend, abrogate, modify or revise any or all provisions of this Code. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Code.

Approved and Adopted by Board of Directors on – 13th March, 2014
Amended on – 27th January, 2021