

## **CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

### **1. INTRODUCTION**

- 1.1 This Code of Conduct (hereinafter referred to as the "**Code**") shall be called "The Code of Conduct for Board Members and Senior management personnel" of Panama Petrochem Ltd (hereinafter referred to as the "**Company**").
- 1.2 This Code envisages that the Board of Directors of the Company ("**Board**") and Senior Management Personnel (as hereinafter defined) (collectively referred to as "**Officers**") must act within the bounds of the authority conferred upon them and with a duty to comply with the requirements of applicable law.
- 1.3 The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company, and thus to sustain the trust and confidence reposed in the Officer by the shareholders of the Company. Officers are expected to understand, adhere to, comply with and uphold the provisions of this Code and the standards laid down hereunder in their day-to-day functioning.
- 1.4 The principles prescribed in this Code are general in nature and lay down broad standards of compliance and ethics, as required by Clause 49 of the listing agreement with the Stock Exchanges, where shares of the Company are listed, (hereinafter referred to as "Stock Exchange"). The Officers should also review other applicable policies and procedures of the Company for specific instructions and guidelines, which are to be read in conjunction with this Code.
- 1.5 All Officers should sign the acknowledgment from annexed as Appendix III hereto and return the form to the Manager/ Compliance Officer indicating that they have received, read, understood and agree to comply with the Code. All Officers shall be required affirm compliance with this Code on an annual basis, within 30 days of close of every financial year to the Compliance Officer/ Company Secretary, in the form annexed hereto as Appendix II.

### **2. DEFINITIONS & INTERPRETATION**

- 2.1 In this Code, unless repugnant to the meaning or context there of, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:
  - i. "**Board**" shall mean the Board of Directors of the Company;
  - ii. "**Board Members**" shall mean the Directors on the Board of Directors of the Company;
  - iii. "**Company**" shall mean PANAMA PETROCEM LTD.
  - iv. "**Government**" shall mean Govt. of India.
  - v. "**Officers**" shall collectively refer to the Board Members and the Senior Management Personnel.

- vi. **“Independent Directors”** as defined under Companies Act, 2013 & Listing Agreement.
  - vii. **“Price Sensitive Information”** includes any information which relates directly or indirectly to the Company and which if published is likely to materially affect the price of Securities of the Company.
  - viii. **“Relative”** shall have the same meaning as assigned to the term in Companies Act, 2013.
  - ix. **“Securities”** includes
    - a. shares, scrips, bonds, debentures, debenture stock or other marketable securities of a like nature;
    - b. puts, calls or any other option on the Company’s Securities even though they are not issued by the Company;
    - c. futures, derivatives and hybrids; and
    - d. such other instruments as may be declared to be such by the Compliance Officer from time to time.
  - x. **“Senior Management Personnel”** shall mean personnel of the Company who are members of its core management team excluding the Board of Directors and would comprise of all members of management one level below the Directors.
  - xi. **“Whole Time Directors”** shall mean the Board Members who are in the Whole-time employment of the Company.
  - xii. **“Non Whole Time Directors”** shall mean the Board Members who are not in the whole time employment of the Company.
- 2.2 In this Code words importing masculine shall include feminine and words importing singular shall include plural or vice versa.

### **3. APPLICABILITY**

This Code shall be applicable to the following persons:

- i. Board Members
- ii. Senior Management Personnel.

The Directors and Senior Management Personnel should continue to comply with other applicable/ to be applicable policies, rules and procedures of the Company.

### **4. ETHICAL CONDUCT**

Every Officer shall act within the authority conferred upon him by the Company and under applicable law, keeping the best interest of the Company in view and shall:

- i. Act with professionalism utmost care, skill diligence, honesty, good faith and integrity as well as high moral and ethical standards;
- ii. Fulfill their fiduciary obligations without allowing their independence of judgment to be compromised;

- iii. Act fairly and transparently and not participate in any decision-making process on a subject matter in which a conflict of interest exists or is likely to exist such that an independent judgment of the Company's best interest cannot be exercised;
- iv. Avoid conducting business with (a) a relative or (b) a private limited company in which he or his relative is a member or a director (c) a public limited company in which he or his relative holds 2% or more shares or voting right and (d) with a firm in which the relative is a partner, except with the prior approval of the Board;
- v. Avoid having any personal and/ or financial interest in any business dealings concerning the Company;
- vi. Not hold any positions or jobs or engage in other businesses or interests that are prejudicial to the interests of the Company;
- vii. Not exploit for his own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed duly in writing to the Board and the Board declines to pursue such opportunity;
- viii. Not seek, accept, or offer or make, directly or indirectly, any gifts, illegal payments, remuneration, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favours for the conduct of business.
- ix. Not commit any offence involving moral turpitude or any act contrary to law or opposed to public policy.
- x. Observe and guide the Company in maintaining highest degree of Corporate Governance.
- xi. Stay abreast of the affairs of the Company and be kept informed of the Company's compliance with relevant laws, rules & regulations.

## **5. Duties of Independent Directors**

- i. Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- ii. 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;
- iii. Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- iv. Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- v. Strive to attend the general meetings of the company;

- vi 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;
- vii keep themselves well informed about the company and the external environment in which it operates;
- viii Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- ix 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;
- x 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;
- xi Report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- xii Acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- xiii 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.

## **6. DISCLOSURES**

- 6.1 Notwithstanding that any instances of conflict of interest exist due to any historical reasons, adequate and full disclosure by the interested officer should be made to the Company. It is also incumbent upon every Officer to make a full disclosure of any interest which the Officer or the Officer's immediate family, which would include parents, spouse and children, may have in a company or firm which is a supplier, customer, distributor of or has other business dealings with the Company.
- 6.2 With respect to related party disclosures, Board Members shall make disclosure to the Board and Senior Management Personnel shall make disclosure to the Compliance Officer .
- 6.3 If an Officer fails to make a disclosure as required herein, and the Company of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the Officer, the Company would take a serious view of the matter and consider suitable disciplinary action against the Officer.

## **7. OTHER DIRECTORSHIPS**

- 7.1 Unless specifically permitted by the Chairman of the Board, Officers shall not serve as director of any other company or as partner of a firm that is engaged in a competing business with the Company. This clause will not be applicable to Non-Whole Time Directors/ Independent Directors .

**8. PRESERVATION OF "PRICE SENSITIVE INFORMATION"**

Every Officer shall maintain the confidentiality of all "Price Sensitive Information". They shall not pass on such information to any person directly or indirectly by way of making a recommendation or dealing in securities.

**9. PUBLIC REPRESENTATION AND CONFIDENTIALITY OF INFORMATION**

- 9.1 The Company honours the information requirement of the public and its stakeholders. In all its public appearance with respect to disclosing information in relation to the Company's activities to public constituencies such as the media, the financial community, employees and shareholders, the Company shall be represented only by specifically authorized Officers.

- 9.2 Any information concerning the Company's business, its customers, suppliers, etc. to which the Officers have access or which is possessed by the Officers, must be considered privileged and confidential and should be held in confidence at all times, and should not be disclosed to any person, unless (i) authorized by the Board or (ii) the same is part of the public domain at the time of disclosure or (iii) is required to be disclosed in accordance with applicable laws.

**10. REGULATORY COMPLIANCE**

Every Officer shall, in his business conduct, comply with all applicable laws, rules and regulations, both in letter and in spirit, in all the territories in which he operates. If the ethical and professional standards set out in the applicable laws and regulations are below that of the Code, then the standards of the Code shall prevail.

**11. PROTECTION OF ASSETS**

The Officers shall use best endeavors to protect Company's assets and property, ensure its efficient use and shall not derive any personal benefit (including without limitation through the use of Company's property, assets, information of position) except that which they are lawfully entitled to.

**12. AMENDMENTS TO THE CODE**

The provisions of this Code can be amended and modified by the Board of Directors of the Company from time to time. All Officers shall be duly informed of such amendments and modifications.

**13. ENFORCEMENT OF CODE OF CONDUCT**

Each Officer shall be accountable for fully complying with this Code.

**14. CONSEQUENCES OF NON-COMPLIANCE OF THIS CODE**

- 14.1 In case of breach of this Code by the Non Whole Time Directors, the same may be considered by the Board for initiating appropriate action, as deemed necessary.
- 14.2 In case of breach of this Code by the Whole Time Directors and Senior Management Personnel, the same shall be liable to disciplinary action by the Company.

**APPENDIX-I**

**EXTRACT OF SECTION 2 (77) OF THE COMPANIES ACT, 2013**

**Meaning of "relative"**

:  
"relative", with reference to any person, means any one who is related to another, if—

- (i) they are members of a Hindu Undivided Family;
- (ii) they are husband and wife; or
- (iii) one person is related to the other in such manner as may be prescribed

List of Relatives pursuant to Clause 77 of Section 2 of the Companies Act, 2013 read with Rule 4 of the Companies (Specification of definitions details) Rules, 2014

1. Father  
(includes Step Father)
2. Mother  
(includes Step Mother)
3. Son  
(includes Step Son)
4. Son's wife
5. Daughter
6. Daughter's husband
7. Brother  
(includes Step Brother)
8. Sister  
(includes Step Sister)

**APPENDIX-II**

**PANAMA PETROCHEM LIMITED**

**CODE OF CONDUCTS  
FOR  
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

**ANNUAL COMPLIANCE REPORT\***

I \_\_\_\_\_ do hereby solemnly affirm to the best of my knowledge and belief that I have fully complied with the provisions of the "CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL" during the financial year ending \_\_\_\_\_.

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Designation : \_\_\_\_\_

Date : \_\_\_\_\_

Place : \_\_\_\_\_



**PANAMA PETROCHEM LIMITED**

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**ACKNOWLEDGEMENT FORM**

I \_\_\_\_\_ have received and read the Company's "CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL ('this Code')". I have understood the provisions and policies contained in this Code and I agree to comply with this Code.

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Designation : \_\_\_\_\_

Date : \_\_\_\_\_

Place : \_\_\_\_\_