



PRECISION ELECTRONICS LIMITED

Code of Business Conduct for The Board of Directors and the Senior Management

Approver

Board of Directors

Revised Policy approved at the board meeting held
on August 6, 2025

I. INTRODUCTION

The Code of Conduct ("the Code") shall be called "The Code of Conduct for Board of Directors and Senior Management" of Precision Electronics Limited ("the Company"). It is committed to being an ethical and responsible member of the business communities in which it operates. The Company always endeavors to ensure that highest standards of honesty, integrity and ethics are maintained.

The Code is formulated in line with the requirement of Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") read with Schedule IV of Companies Act, 2013 on Code for Independent Directors, the board of directors of a listed entity is required to lay down a code of conduct for all members of board of directors and senior management of the listed entity.

I. DEFINITIONS AND INTERPRETATIONS

- a. The term "**the Act**" means the Companies Act, 2013.
- b. The term "**Board Members/Board**" shall mean Directors on the Board of the Company.
- c. The term "**Managing Director/ Executive Director**" shall be the Directors on the Board of Directors of the Company who are in whole-time employment of the Company.
- d. The term "**Independent/ Non-Executive Director**" shall mean Directors on the Board of Directors of the Company who are not in whole-time employment of the Company.
- e. **Senior Management** shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.
- f. **Unpublished Price Sensitive Information ("UPSII")** means any information, relating to the Company or its securities, directly or indirectly, that is not Generally Available Information, which upon becoming Generally Available Information, is likely to materially affect the price of the securities and shall ordinarily include but not restricted to information relating to the following:
 - o financial results;
 - o dividends;
 - o change in capital structure;
 - o mergers, de-mergers, amalgamation, acquisitions, delisting, scheme of arrangement or takeover, disposals, spin off or selling of division of whole or substantially the whole of the undertaking and expansion of business and such other similar transactions; and
 - o changes in key managerial personnel.

II. APPLICABILITY

The Code shall be applicable to the following persons:

- a. all Directors, whether executive, non-executive or nominee directors;
- b. all the Senior Management as defined above;
- c. any other appropriate person that the Board may determine.

The Board of Directors of the Company shall be the final internal authority as far as any interpretation of the Code or its applicability/violation and consequential actions are concerned.

The Code may be expanded and/or improved upon and/or altered and/or varied from time to time.

III. CODE OF CONDUCT

1. The Board and Senior Management Personnel of the Company should:

- a. demonstrate the highest standards of integrity, business ethics, and corporate governance;
- b. perform their roles with competence, diligence, in good faith and in the best interests of the Company;
- c. provide expertise and experience in their areas of specialization and share learnings at the meetings of the Board with the 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;
- d. give careful and independent consideration to the affairs of the Company and all documents placed before them to satisfy themselves with the soundness of key decisions taken by the management. They should call for additional information, where necessary, for making such judgements;
- e. not engage in any business, relationship or any activity that detrimentally conflicts with the interest of the Company or brings discredit to the Company. Any situation that creates a conflict of interest between personal interests and the Company and its stakeholders' interests must be avoided at all costs;
- f. follow all the guidelines put forth in the policy for prevention of insider trading;
- g. not disclose any confidential/privileged information of the Company and should direct any media queries or approaches to the appropriate spokesperson within the Company; and
- h. not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates.

2. Code for Independent Directors

All Independent Directors on the Board shall adhere to the Code for Independent Directors as prescribed in Schedule IV to the Act under the provisions of section 149[7]. The Code is a guide to professional conduct for independent directors and includes adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner to promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of Independent Directors. The Code provides for the guidelines of professional conduct, which inter alia include the following:

- 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 of Directors and of the Board committees of which he is a member;
- d. strive to hold at least one meeting in a financial year, without the presence of non-independent directors and members of the management, and all the independent directors shall strive to be present at such meeting;
- e. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- f. strive to attend the general meetings of the company;
- g. 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;
- h. keep themselves well informed about the company and the external environment in which it operates;
- i. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- j. 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;
- k. 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;
- l. report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy, if any;
- m. acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees; and
- n. 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 shall be held liable, only in respect of such acts of omission or commission by a Company, which have occurred with his knowledge attributable through board processes, and with his / her positive consent or connivance or where he / she had not acted diligently with respect of the provisions contained in the Listing Regulations.

IV. ANNUAL AFFIRMATION WITH COMPLIANCE OF THIS CODE

As per Regulation 26(3) of the Listing Regulations, all members of the Board and Senior Management Personnel of the Company shall affirm compliance with this Code on an annual basis.

V. NO RIGHTS CREATED

This Code does not intend to nor does it create any kind of right in respect of any Director or Senior Executive, or any stakeholder including client, supplier, customer, shareholder, employee, or any other person or entity.

V. POWER TO AMEND THE CODE:

The Board shall be authorized to delegate the powers to any Committee or any authorized representative of the Company, to make any amendment(s) to the Code.

The amendments made by the Committee or the authorized representative shall be ratified by the Board at the immediate next Board meeting.

VI. WAIVER

A waiver in respect of a Director or Senior Executive from any provision of this Code of Business Conduct shall require the explicit collective approval of the Board of Directors.

VII. DISCLOSURE

This Code is published on the Company's website under the designated policies. The Company ensures that the Code remains accessible to all stakeholders and is updated as and when amended.