

FACOR ALLOYS LIMITED, SHREERAMNAGAR

CODE OF ETHICS FOR

ALL MEMBERS OF BOARD AND SENIOR MANAGEMENT PERSONNEL

I. INTRODUCTION

This Code of Ethics for Directors and Senior Management Personnel (the “Code”) helps maintain the standards of business conduct for FACOR ALLOYS LTD (the “Company”), and ensures compliance with requirements of Stock Exchange Listing Regulation. The purpose of the Code is to deter wrongdoing and promote ethical conduct. The matters covered in this Code are of the utmost importance to the Company, its shareholders and its business partners. Further, these are essential so that the Company can conduct its business in accordance with its stated values.

The Code is applicable to the following persons:

- All Members of Board.
- Senior Management Personnel one level below the Executive Directors including all functional heads who are members of the Company’s core Management team excluding Board of Directors.

The above persons are hereafter referred to as “Board Members & Executives”.

Ethical business conduct is essential to Company’s business. Accordingly, Board Members & Executives are expected to read and understand this Code, uphold these standards in day to day activities, and comply with all applicable laws; rules and regulations; and all applicable policies and procedures adopted by the Company that govern the conduct of its Board Members & Executives.

Board Members & Executives should also review the Company’s other applicable policies and procedures for more specific advice because the principles described in this Code are general in nature.

Nothing in this Code, in any Company’s policies and procedures, or in other related communications (verbal or written), creates or implies an employment contract or term of employment.

Board Members & Executives should sign the acknowledgement form attached to this Code and return the form to the Managing Director indicating that they have received, read and understood, and agree to comply with the Code.

II. HONEST AND ETHICAL CONDUCT

The Company expects all Board Members & Executives to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working on the Company’s premises, at Company sponsored business and social events, or at any other place where Board Members & Executives are representing the Company.

It considers honest conduct to be conduct that is free from fraud or deception. It considers ethical conduct to be conduct conforming to the accepted professional standards of conduct. Ethical conduct includes the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. This is discussed in more detail in Section III below.

In all cases, if you are unsure about the appropriateness of an event or action, please seek assistance in interpreting the requirements of these practices from the Board of Directors.

III CONFLICTS OF INTEREST

The duty of a Board Member & Executive to the Company demands that he or she avoids and discloses actual and apparent conflicts of interest. A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company. Examples include:

- A. Employment/Outside employment In consideration of employment with the Company, Executives are expected to devote their full attention to the business interests of the Company. They are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company, or is otherwise in conflict with or prejudicial to the Company. Our policies prohibit them from accepting simultaneous employment with suppliers, customers, developers or competitors of the Company, or from taking part in any activity that enhances or supports a competitor's position. Additionally, they must disclose to the company any interest that they have that may conflict with the business of the Company.
- B. Outside directorships It is a conflict of interest to serve as a director of any company that competes with the Company. Under such circumstances, the Board Members & Executives must first obtain approval from the Company before accepting a directorship.
- C. Business Interest If a Board Member & Executive is considering investing in any customer, supplier, developer or competitor of the Company, he or she must first take care to ensure that these investments do not compromise on their responsibilities to the Company. The Company's policy requires that Board Members & Executives first obtain approval from the Company before making such an investment. Many factors should be considered in determining whether a conflict exists, including the size and nature of the investment; the ability of Board Members & Executives to influence the Company's decisions; his or her access to confidential information of the Company or of the other company and the nature of the relationship between the Company and the other company.
- D. Related parties As a general rule, Board Members & Executives should avoid conducting Company business with a relative, or with a business in which a relative is associated in any significant role. Relatives include spouse, children, parents, grandparents, grandchildren, aunts, uncles, nieces, nephews, cousins, step relationships, and in-laws. The company discourages the employment of relatives of Board Members & Executives in positions or assignments within the same department. Further, the Company prohibits the employment of such individuals in positions that have a financial dependence or influence (e.g. an auditing or control relationship, or a supervisor/subordinate relationship)
- E. Payments or gifts from others Under no circumstances may the Board Members & Executives accept any offer, payment, promise to pay, or authorization to pay any money, gift or anything of value from customers, vendors, consultants, etc., that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, or opportunity for the commitment of any fraud. Inexpensive gifts, infrequent business meals, celebratory events and entertainment, provided that they are not excessive or create an appearance of impropriety and do not violate the policy. Questions regarding whether a particular payment or gift violates this policy are to be directed to the Company. Gifts given by the Company to suppliers or customers, or received from suppliers or customers, should be appropriate to the circumstances and should never be of a kind that could create an appearance of impropriety. The nature and cost must always be accurately recorded in the Company's books and records.

- F. Corporate opportunities Board Members & Executives may not exploit for their own personal gain, opportunities that are discovered through the use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Company's board of directors and the board declines to pursue such opportunity.
- G. Other situations Because other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts, Executives must consult the Company.

IV. DISCLOSURE TO THE STOCK EXCHANGE

The Company's policy is to provide full, fair, accurate, timely and understandable disclosure in reports and documents that it files with, or submits to, the Stock Exchange. Accordingly, the Board Members & Executives must ensure that they and others in the Company comply with its disclosure controls and procedures, and its internal controls for financial reporting.

V. DUTIES OF INDEPENDENT DIRECTORS

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.

VI. COMPLIANCE WITH GOVERNMENTAL LAWS, RULES AND REGULATIONS

The Board Members & Executives must comply with all applicable governmental laws, rules and regulations. They 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. Violations of applicable governmental laws, rules and regulations may subject the Board Members & Executives to individual criminal or civil liability, as well as to disciplinary action by the Company. Such individual violations may also subject the Company to civil or criminal liability or the loss of business.

VII. VIOLATIONS OF THE CODE

Part of Board Members' & Executives' job, and of his or her ethical responsibility is to help enforce this Code. They should be alert to possible violations and report this to the Company. They must cooperate in any internal or external investigations of possible violations. Reprisal, threat, retribution or retaliation against any person who has, in good faith, reported a violation or a suspected violation of law or this Code or other Company policies, or against any person who is assisting in any investigation or process with respect to such violations are prohibited.

Actual violations of law, this Code, or other Company policies or procedures, should be promptly reported to the Company.

The Company will take appropriate action against any Board Member & Executive whose actions are found to violate the Code or any other policy of the Company.

VIII. WAIVERS AND AMENDMENTS OF THE CODE

The Company is committed to continuously reviewing and updating its policies and procedures. Therefore, this Code is subject to modification. Any amendment or waiver of any provision of this Code must be approved in writing by the Company's board 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 amendment or waiver.

ACKNOWLEDGEMENT OF RECEIPT OF CODE OF ETHICS FOR BOARD MEMBERS & EXECUTIVES OF FACOR ALLOYS LTD, SHREERAMNAGAR.

I have received and read the Company's Code of Ethics for Board Members & Executives (the "Code"). I understand the standards and policies contained in the Code and understand that there maybe additional policies or laws specific to my job. I agree to comply with the Code.

If I have questions concerning the meaning or application of the Code, any Company policies, or the legal and regulatory requirements applicable to my job, I know I can consult the Board of Directors and that my questions or reports to these sources will be maintained in confidence.

Name of Board Member/Executive

Signature

Date

Please sign and return this form to the Managing Director, FACOR Alloys Ltd., Shreeramnagar.