

**CODE OF CONDUCT**

**FOR**

**BOARD MEMBERS AND SENIOR MANAGEMENT**

**OF**

**M/S XL ENERGY LIMITED**

## 1. **Introduction:**

- 1.1 This code of conduct (hereinafter referred to as “Code”) shall be called “Code of Conduct for Board members and Senior Management of XL Energy Limited.
- 1.2 This code has been framed in compliance with the provisions of Clause 49 of the Listing Agreement entered into by XL Energy Limited (the “Company”) with the Bombay Stock Exchange and National Stock Exchange (“Stock Exchanges”).
- 1.3 The code envisages the Board of Directors of the Company (the “Board”) and Senior Management must act within the boundaries of the authority conferred upon them and with a duty to comply with the requirement of applicable laws.
- 1.4 The principles prescribed in this code are general in nature and lay down Board standards of compliance and ethics, as required by Clause 49 of the Listing Agreement with the Stock Exchanges.
- 1.5 The Board and Senior Management shall also refer to other applicable policies and procedures of the Company for specific instructions and guidelines which are to do read in conjunction with this Code.  
***XL ENERGY LIMITED*** has a long-standing commitment to compliance with applicable laws and regulations and to operating in accordance with the highest standards of business conduct.

## 2. **Definitions & Interpretations**

Unless repugnant to the meaning or context thereof, the following expressions, whichever used in this code, shall have the meaning assigned to them below:

- a) “**Board Members**” shall mean the Directors on the Board of the Company which includes the Chairman.
- b) “**Relative**” shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013.
- c) “**Senior Management**” shall mean personnel of the Company who are members of its Core management team and functional heads excluding the Board of Directors. Normally, this would comprise all members of management one level below the executive directors, including all functional heads.
- d) “**Whole Time Directors**” shall mean the Board Members who are in whole time employment of the Company.
- e) “**Non Executive Directors**” shall mean the Board Members who are not in whole time employment of the Company.
- f) “**Independent Directors**” shall mean those directors who:
  - possess relevant expertise and experience to be an independent director in the Company;
  - is/was not a promoter of the company or its holding, subsidiary or associate company;
  - is not related to promoters or directors in the company, its holding, subsidiary or associate company;
  - apart from receiving director’s remuneration, has/had no material pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
  - where none of his/her relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors,

amounting to 2% or more of its gross turnover **or** total income **or** Rs Fifty lakh rupees **or** such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

- Neither by himself/herself nor any of his/her relatives:
  - a) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
    - i. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; **or**
    - ii. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - c) holds together with his/her relatives 2% or more of the total voting power of the company; **or**
  - d) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
  - e) is not a material supplier, service provider or customer or a lessor or lessee of the company;
- is not less than 21 years of age.
- g) **“Confidential Information”** means the information concerning the Company’s Business, its customers & suppliers etc, which is not in public domain and to which only the Board Members and the Senior Management have access.

### **3. Applicability**

The Code of Conduct is applicable to the Board of Directors and Senior Management Personnel of the Company.

### **4. Code of Conduct**

The Code is based on the following fundamental principles of Directors & Senior Management Personnel:

- 4.1. Performance of duties** – The Directors & Senior Management Personnel will exercise due care and diligence in the performance of their duties of office and will not undertake any activity, which is pre-judicial to the interests of the Company. All Officers are expected 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 Officers represent the Company.

#### **4.2. Duties of Independent Directors** – The Independent Directors shall

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 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;
- strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- strive to attend the general meetings of the company;
- 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;
- keep themselves well informed about the company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 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;
- 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;
- report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 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.

**4.3. Honest and Ethical Conduct** - The Directors & Senior Management Personnel shall act in accordance with the highest standards of honesty & integrity. They will always act in good faith and in the best interests of the company.

**4.4. Confidentiality** – The Directors & Senior Management Personnel are expected to maintain the highest level of confidentiality of the information, which they acquire during the course of their relationship with the Company. They are not expected to use such information for their personal interests.

**4.5. Conflicts of Interest** – The Directors & Senior Management Personnel are expected to act as independent persons while making an opinion and make the judgment, which will be in the best

interests of the Company. There should not be conflict of the personal interests with the organizational interests.

**4.6. Interest of Stakeholders** - The Directors & Senior Management Personnel are expected to recognize that their primary responsibility is to the Company's shareholders as a whole. They will provide all the stakeholders with information that is accurate, complete, objective, relevant, timely and understandable.

**4.7. Compliance** – The Directors & Senior Management Personnel shall comply with all applicable laws, rules and regulations of the land both in letter and spirit and with the Code of Conduct for prevention of Insider Trading.

## **5. Enforcement of Code of Conduct**

**5.1.** The Company Secretary shall be the Compliance Officer for the purpose of this Code.

**5.2.** Each Member of the Board and Senior Management shall be accountable for fully complying with this code.

**5.3.** Compliance Officer shall report breach of this Code, if any, which comes to his notice to the Board.

**5.4.** All Board Members and Senior Management shall be subject to due investigation of any possible violations of this Code.

**5.5.** The Managing Director shall determine the penalty for breach of this Code by any member of the Senior Management. In case of breach of this Code by a Board Member, the Board shall examine and indicate suitable disciplinary action.

## **6. Amendments to the Code**

This Code of Conduct is subject to modification. The Board of Directors have requisite powers and authority to update and amend the Code of Conduct from time to time.

## **7. Placement of the Code on Website**

Pursuant to Clause 49 of the Listing Agreement, this Code and any amendments thereto shall be posted on the website of the Company.

## **8. No Rights Created**

This Director's Code sets forth guidelines for conduct for the Board of Directors. It is not intended to and does not create any rights in any director, officer, employee, client, supplier, competitor, shareholders or any other person or entity.

## **9. Affirmations of Compliance of the Code**

In terms of Clause 49 (IIE) of the Listing Agreement, all Board members and Senior Management Personnel shall within 30 days of close of every financial year affirm Compliance with the Code. The Annual Compliance Report shall be forwarded to the Compliance Officer of the Company( in the following Format)

**Format for affirming compliance with the Code of Conduct on an Annual basis**

Date

The Company Secretary,  
XL Energy Ltd,  
Secunderabad

Dear Sir/Madam,

Sub: **Compliance with Code of Conduct**

I am aware of the Code of Conduct for the Directors and the Senior Management along with the Officers of the Company and understand the standards and policies contained in the same. I confirm that I comply with the said Code of Conduct.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Name

**9. Waivers**

Waiver of any provision of this Code of Conduct must be granted in writing by the Board.