

Whistle Blower Policy

Of

M/s XL ENERGY LIMITED

XL ENERGY LIMITED'S WHISTLE BLOWER POLICY

1. Preface

- 1.1. XL Energy Limited (herein referred to as “the Company”) believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.
- 1.2. The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.
- 1.3. The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company.
- 1.4. There is a provision under the Code requiring employees to report violations, which states:

Reporting Concerns

Every employee of the Company shall promptly report to the management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of his or any other Company.

2. Policy

- 2.1. The policy is for the Directors and Employees as defined herein after.
- 2.2. The policy has been drawn up for the Directors and Employees of the Company to report concern about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics policy.

3. Definitions

The definitions of some of the key terms used in this Policy are given below.

- 3.1. **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with Clause 49 (F) (III) of the Listing Agreement with the Stock Exchanges.
- 3.2. **“Employee”** means every employee of the Company (whether working in India or abroad), including the Directors in employment of the Company.
- 3.3. **“Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- 3.4. **“Disciplinary Action”** means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- 3.5. **“Subject”** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- 3.6. **“Whistle Blower”** means an Employee making a Protected Disclosure under this Policy.
- 3.7. **“Ombudsperson”** will be a person appointed by the Audit committee/Board for the purpose of receiving all complaints under this Policy and ensuring appropriate action.

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4. Scope

This Policy covers:

- malpractices and events which have taken place / suspected to have taken place
- misuse or abuse of authority
- fraud or suspected fraud
- violation of company rules
- manipulations
- negligence causing danger to public health and safety
- misappropriation of monies,
- other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

5. Eligibility

All Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

6. Disqualifications

- 6.1.** While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- 6.2.** Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a *mala fide* intention.
- 6.3.** Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide* or malicious or Whistle Blowers who make three or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

7. Procedure

- 7.1.** All Protected Disclosures concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation.
- 7.2.** If a Protected Disclosure is received by any executive of the Company other than the Chairman of the Audit Committee, the same should be forwarded to the Chairman of the Audit Committee for further appropriate action.
- 7.3.** Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower.
- 7.4.** Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- 7.5.** For the purpose of providing protection to the Whistle Blower, the Whistle Blower should disclose his/her identity in the covering letter forwarding such Protected Disclosure.

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8. Investigation

- 8.1.** All Protected Disclosures reported under this Policy will be thoroughly investigated by the Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee.
- 8.2.** The Chairman of the Audit Committee may at his discretion, consider involving any Investigators for the purpose of investigation.
- 8.3.** The decision to conduct an investigation taken by the Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- 8.4.** The identity of a Subject and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- 8.5.** Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- 8.6.** Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- 8.7.** Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- 8.8.** The investigation shall be completed normally within 30 days of the receipt of the Protected Disclosure.

9. Protection

- 9.1.** No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted.
- 9.2.** Complete protection will be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure.
- 9.3.** A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- 9.4.** The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.
- 9.5.** Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

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10. Investigators

- 10.1.** Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.
- 10.2.** Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- 10.3.** Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee which establishes that:
 - the alleged act constitutes an improper or unethical activity or conduct, and
 - the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of management review. Provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or conduct.

11. Decision

If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Chairman of the Audit Committee may deem fit.

12. Reporting

As per Clause 49 (IIF) of the Listing Agreement, the compliance to the Vigil Mechanism under Whistle Blower Policy shall be reported in the quarterly Compliance Report on the Corporate Governance to the Stock Exchanges where the shares of the Company are listed.

13. Disclosure

As per the requirement of Clause 49 (IIF) (3) of the Listing Agreement, the details of establishment of Vigil Mechanism shall be disclosed by the Company on its website and in the Board's report.

14. Review of Functioning by Audit Committee

The Audit Committee of the Company shall be responsible to review periodically the efficient and effective functioning of the Vigil Mechanism.

15. Retention of documents

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

16. Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees unless the same is notified to the Employees.