

## **CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT OF XL Telecom & Energy Limited**

### **1.0 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 Telecom & Energy Limited.
- 1.2** This code has been framed in compliance with the provisions of Clause 49 of the Listing Agreement entered into by the XL Telecom & 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. 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.
- 1.5** This code shall come into force w.e.f. 16<sup>th</sup> August, 2007.

### **2.0 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(41) and Section 6 read with Schedule 1A of the Companies Act, 1956.
- 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 whole time directors.
- 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) “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.

### **3.0 Applicability**

This Code shall be applicable to the (a) Board Members and (b) Senior Management

### **4.0 Code of Conduct**

Each member of the Board and Senior Management shall:

- i) Act in accordance with the highest standards of honesty, objectivity, good faith and integrity while working for the Company as well as while representing the Company and fulfill their fiduciary obligations without allowing their independence of judgement to be compromised. Further, they shall abide by the policies and procedures framed and adopted by the Company from time to time.
- ii) Not involve themselves in making any decision on a subject matter in which a conflict or interest arises or could arise, between their personal interest and the interest of the Company. Members shall avoid any situation that tends towards or leads to a conflict between their personal interest and the interests of the Company, impacting the exercise of independent judgement in the discharge of their duties and responsibilities towards the Company. In case of any apparent, unavoidable conflict of interest, such conflict would be disclosed by the member and such member shall abstain from participating in any discussions on the subject matter.
- iii) Not have any personal financial interest in works or contracts awarded by the Company, unless approved by the Board taking note of such interest.
- iv) Not (including his/her relatives/associates) derive any undue personal benefit or advantage by virtue of his/her position or relationship with the Company.
- v) Not hold any positions or jobs or engage in outside businesses or other interests that adversely affect the performance of duties of the Company. Whole-time Directors and senior Management are expected to devote their full attention to the business interest of the Company.
- vi) Not exploit for their own personal gain, opportunities that are discovered through Company’s business or information acquired by the Company, unless the opportunity is disclosed fully in writing to the Board

- vii) Comply with all applicable laws, rules and regulations of the land both in letter and spirit
- viii) Comply with the Code of Conduct for prevention of Insider Trading
- ix) Such confidential information would include but not be limited to, information on terms of trade, trading partners, acquisition and mergers; stock splits; bonus issues and other issues of debt or equity capital.
- x) Members shall ensure that all confidential information made available to them by virtue of their holding office including Board or Board sub-committee Agenda and all related notes and papers, minutes of meetings, etc shall not be disclosed or released to any person directly or indirectly or made public unless compelled to do so by a due process of law or duly authorized by the Board.
- xi) The members shall ensure that the assets and resources of the Company are properly, judiciously and efficiently used for its business purposes and are properly safeguarded. Any unauthorized use of the Company's assets shall not be allowed and appropriate steps shall be taken for the same.

#### **5.0 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.

#### **6.0 Amendments to the Code**

The Company is committed to continuously reviewing its policies and procedures. Therefore, the provisions of this Code can be amended and modified by the Board from time to time. All such amendments and modifications shall take effect from the date stated therein. All Board Members and Senior Management shall be duly informed of such amendments and modifications.

## **7.0 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.

## **8.0 Affirmations of compliance of the Code**

As required under Clause 49 (D) (ii) of the listing agreement, all Directors and Senior Management shall sign and submit an annual declaration before 15<sup>th</sup> April every year, affirming compliance with the provisions of this Code. (In the following format)

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

The Company Secretary  
XL Telecom & Energy Ltd  
Secunderabad

Date:

Dear Sir,

Sub: **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

## **9.0 Waivers**

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