

Code of Conduct Policy for Members of the Board of Directors and Senior Management of the Listed Entity

1. Preamble

The Company intends to formulate this code of conduct for the members of the board of directors of the Company and senior management personnel pursuant to section 149 of the Companies Act, 2013 and the rules formulated thereunder read with schedule IV and regulation 17 (5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI Listing Regulations**”) from time to time.

Pursuant to this requirement, Amalgamated Electricity Company Limited (“AECL” or “**the Company**”) has formulated this Code to lay down the standards of ethical conduct, integrity, transparency and accountability expected from all members of the Board of Directors and Senior Management of the listed entity. This Code is a guide to help Directors on the Board of Directors (“**Directors**”) & Senior Management of the Company to live up to Company’s ethical standards in managing the affairs of the Company and thus sustain the trust and confidence reposed in them by the stakeholders of the Company. This Code seeks to promote responsible decision-making, compliance with applicable laws and regulations, protection of stakeholder interests, and enhancement of corporate governance practices.

The code of conduct shall be posted on the website of the Company.

Accordingly, the Board of Directors has adopted the Code of Conduct which sets out as follows:

- i. Guidance on ethical standards of conduct on various matters including conflict of interest, acceptance of positions of responsibilities, treatment of business opportunities, etc.;
- ii. Responsibility to comply with insider trading regulations and applicable laws and regulations; and
- iii. Procedure for annual affirmations to the Code of Conduct by Directors and the Senior Management.

2. Purpose

The purpose of this Code of Conduct (the “Code”) is to broadly lay down the general principles to be followed by the Board of Directors, Key Managerial Personnel and the Senior Management of the Company as a guide for discharging their respective duties and responsibilities as members of the Board or Senior Management of the Company, as the case may be. This Code shall come into force with effect from the date the SEBI Listing Regulations take effect with respect to the Company. Each and every Director/officer (as defined herein below) shall be duty-bound to follow the provisions of this Code in letter and spirit. The code of conduct shall suitably incorporate the duties of independent directors as laid down in Section 149 and Schedule IV - Code for Independent Directors and any other provisions of Companies Act, 2013 as applicable. Any instance of non-compliance with any of the provisions shall be a

breach of ethical conduct and shall be viewed seriously by the Company. Accordingly, the Director/Officers (as defined herein below) are expected to read and understand this Code and uphold these standards in their business dealings and activities.

3. Definitions

For the purpose of this Policy, the following terms shall have the meanings assigned to them hereunder:

- a) “The Company” or “Company” means “Amalgamated Electricity Company Limited”.
- b) “Board” means the board of directors of the Company at any time consisting of the directors duly appointed and not ceased to be director of the Company in terms of the Companies Act 2013, as amended
- c) “Policy for appointment and removal of director, key managerial personnel and senior management” means this policy, as amended from time to time;
- d) “Key Managerial Personnel” means:
 - i. the Chief Executive Officer or the Managing Director or the Manager;
 - ii. the Company Secretary;
 - iii. the Whole-Time Director;
 - iv. the Chief Financial Officer;
 - v. and such other officer, as may be prescribed.
- e) “Independent Director” means an independent director referred to in sub-section (6) of section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations.
- f) “Senior Management” shall mean the officers and personnel of the Company who are members of its core management team, excluding 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.
- g) “NRC Committee” means the Nomination and Remuneration Committee of the Board of the Company.

Words and expressions used and not defined in this Policy shall have the meaning ascribed to them in the SEBI Listing Regulations, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act, 1996, as amended, or the Companies Act, 2013 and rules and regulations made thereunder.

3. Applicability

This code shall be applicable to following persons:

- (a) All Whole Time Directors including the chairman and managing director of the Company.
- (b) All Non-Executive Directors including Independent Directors.
- (c) All Senior Management.

The Company appoints the company secretary as a compliance officer for the purposes of this code, who will be available to Board of Directors/Senior Management to answer questions and to help them comply with the code.

With a view to maintain high standards that the company requires, the following rules/code of conduct should be observed in all activities in respect of the Company.

They must adhere to the highest ethical and integrity standards and work to the best of their ability and judgement. They must carry out their responsibilities with due care, diligence, dignity, honesty, and integrity, and they must adhere to the highest standards of ethical conduct and integrity while working to the best of their ability and judgement. Apart from the Code of Conduct, the Independent Directors shall abide by the Code for Independent Directors as prescribed under the Companies Act, 2013, as amended, and

4. Ethical Standards and Integrity

All members of the Board of Directors and Senior Management shall adhere to the highest standards of ethical conduct and integrity. They shall act honestly, fairly and in good faith in all professional dealings, conduct themselves in a manner that upholds the reputation and credibility of the Company and ensure that personal conduct does not adversely affect the interests or image of the listed entity.

5. Compliance with Laws and Regulations

Directors and Senior Management shall ensure full compliance with applicable laws, rules, regulations and guidelines. They shall comply with the Companies Act, SEBI laws, Listing Obligations and Disclosure Requirements and other applicable statutes, follow all internal policies, codes and procedures of the Company and promptly report any actual or suspected violations to the appropriate authority or the Board.

6. Duties, Care, and Accountability

The Board of Directors/Senior Management shall discharge their duties with due care, skill and diligence and in good faith and integrity in business judgment and in the best interests of the Company and its stakeholders. They shall devote adequate time and attention to Company affairs, exercise independent judgment in decision-making, act in the best interests of the Company and its stakeholders and accept accountability for decisions taken and actions performed in their official capacity and fulfill their fiduciary obligations.

Each Director and Senior Management personnel shall:

- act with authority conferred upon them;
- exercise authority and power with due care and diligence and discharge the fiduciary responsibility of office in the best interest of the Company and all the stakeholders;

- act in accordance with the highest standards of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing his/her duties;
- act objectively and constructively and exercise due diligence while discharging his/her duties;
- assist the Company in implementing the best corporate governance practice;
- disclose to the Board of Directors any personal interest (financial or otherwise), whether directly or indirectly or on behalf of third parties, in any matter relating to the business of the Company;
- protect the Company's assets and resources (including information and intellectual property rights) and shall use the same only for the Company's business and not for a personal gain/advantage;
- observe strict confidentiality of the information acquired in the course of discharging his/her duties of the office and shall not use the same for any personal purpose or advantage;
- conduct himself/herself so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision making;
- comply with applicable laws, rules and regulations and all applicable policies adopted by the Company, with the highest standard of personal and professional integrity, honesty and ethical conduct;
- not allow personal interest to conflict with the interests of the Company or to come in the way of discharge of duties of office;
- exercise his/her responsibilities in a bona fide manner in the best interests of the Company;
- not abuse his/her position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- adhere to the code of prevention of insider trading for dealing in shares of the Company;
- preserve and protect the environment;
- deal fairly with customers, suppliers, employees and other business partners;
- provide equal opportunities to all employees, respect the safety and health of all employees, provide them with proper working conditions and encourage them to acquire new skill, knowledge and training to expand their area of professional specialization; and
- Not take up any activities competing with the business of the Company;
- not allow any extraneous considerations that will vitiate his/her exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- maintain transparency in their actions in the conduct of the business of the Company through appropriate policies, procedures, and maintaining supporting and proper records, except where the confidentiality of the business requires otherwise; and

Furthermore, each Director referred to under section 149 (6) of the Act, as amended (such Director referred to as, "Independent Director") shall:

- refrain from any action that would lead to loss of his/her independence;

- safeguard the interests of all stakeholders; and
- where circumstances arise which make an Independent Director lose his/her independence, the Independent Director shall immediately inform the Company and its Board of Directors accordingly.

Duties of Independent Directors

- a. Every Independent Director shall at the first meeting of Board in which he/she participates as a Director and thereafter at the first meeting of Board in every financial year or wherever there is any change in the circumstances which may affect his/her status as an Independent Director, give a declaration that he/she meets the criteria provided in section 149 (6) of the Act and Regulations 16 (1) (b) of the Listing Regulations and that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence.
- b. As per Section 149(8) read with Schedule IV of Companies Act, 2013, the Independent Directors oblige to the following duties –
 - i. undertake appropriate induction and regularly update and refresh their skills, knowledge, and familiarity with the company;
 - ii. 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;
 - iii. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
 - iv. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
 - v. strive to attend the general meetings of the company;
 - vi. 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;
 - vii. keep themselves well informed about the company and the external environment in which it operates;
 - viii. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
 - ix. 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;
 - x. 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;

- xi. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- xii. acting within his authority, assist in protecting the legitimate interests of the company, shareholders, and its employees;
- xiii. 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.

7. Conflict of Interest

Conflict of interest occurs when personal interest of any member of the Board of Directors and of the Senior Management interferes or appears to interfere in any way with the interests of the Company. Every member of the Board of Directors and Senior Management has a responsibility to the Company, its stakeholders and to each other. Directors and Senior Management personnel are expected not to engage in any business, relationship or activity, which may be in conflict with the interests of the Company.

Directors and Senior Management shall avoid conflicts between personal interests and the interests of the Company. They shall disclose any actual, potential, or perceived conflict of interest promptly, refrain from participating in discussions or decisions where such conflict exists and ensure that related party transactions, if any, are undertaken in accordance with applicable laws and Company policies.

Conflicts can arise in many situations. It may not be possible to list out every possible conflict at all times and it will not be easy to distinguish between proper and improper activity. Nevertheless, some of the common circumstances that may lead to a conflict of interest, actual or potential set forth below: -

- a) They should not engage in any activity/employment that interferes with the performance or responsibility to the company or otherwise in conflict with or prejudicial to the company.
- b) They and their immediate families should not solely for the sake of making profit invest in a company, customer, supplier, developer or competitor and generally refrain from investments that compromise their responsibility to the company.
- c) They should generally avoid conducting company business with a relative or with a firm/company in which a relative/related party is associated in any significant role. If such related party transaction is unavoidable, it must be fully disclosed to the Board/ Company Secretary & Compliance Officer and approval shall be obtained.
- d) Directors and the Senior Management Personnel should disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Company.

To ensure that personal interest do not conflict with interest of the Company; The Directors and Senior Management personnel shall not engage in any business, relationship or activity, which may be in conflict of interest of the Company or may be prejudicial to the interest of the Company. In case there is likely to be a conflict of interest, he/she should make full disclosure of all facts

and circumstances thereof to the Board of Directors and the approval of the Board is required to be obtained. Transactions/ dealing done on arm's length basis shall not be considered to be conflict of interest

8. Confidentiality of Information

Any information concerning the company's business, its customers, suppliers, etc., which is not in the public domain and to which the Directors/Senior Management personnel have access or possesses such information, must be considered confidential and held in confidence, unless such disclosure is required under any applicable law. All confidential information must be used for Company's business purpose only. No Director and Senior Management Personnel shall provide any confidential information either formally or informally, to the press or any other publicity media, unless specially authorized by the Board.

It is the responsibility of the Directors/Senior Management personnel to safeguard, secure and conduct proper disposal of confidential information in accordance with the Company's policy on maintaining and managing records. This obligation extends to confidential information of third parties, which the Company has rightfully received under nondisclosure agreements. Special care must be taken by the Board of Directors and members of the Senior Management to handle the confidential information of others responsibly. Such confidential information should be handled in accordance with the agreements with such third parties.

Examples of confidential information include but are not restricted to:

- Information not yet released to the public
- Unpublished Company Strategy/ Price Sensitive Information
- Current or future technical collaborations, breakthroughs and/or inventions
- Investments, planned mergers or acquisitions
- Information received from customers or partners
- Unpublished Financial data either actual or forecasted
- Employee Information
- Such other information as Board may declare as confidential information

Only the Chairman and other Whole Time Director(s) with the consent of Chairman can interact with the media on any matter pertaining to the Company. No members of the Board and Senior Management Personnel of the Company can comment on any article/ in radio/ TV broadcast etc.

9. Insider Trading

The Board of Directors of the Company, shall formulate and publish on its official website, a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information that it would follow in order to adhere to each of the principles set out in Schedule A to Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, without diluting the provisions of these regulations in any manner.

10. Fair Disclosure and Transparency

Directors and Senior Management shall ensure transparency and fairness in disclosures made by the Company. They shall ensure timely, accurate and complete disclosures to stock exchanges and

stakeholders, avoid making misleading statements or omissions of material facts and support a culture of openness and responsible communication.

11. Protection and Use of Company Assets

Company assets shall be used only for legitimate business purposes. Members shall safeguard physical, financial, intellectual and information assets of the Company, prevent misuse, loss, or damage of Company resources and not use Company assets or information for personal gain or unauthorized purposes.

12. Workplace Conduct and Equal Opportunity

The Company is committed to a respectful and inclusive work environment. Directors and Senior Management shall promote equality, diversity, and mutual respect, ensure compliance with policies relating to prevention of sexual harassment and workplace safety and not tolerate discrimination, harassment, or any form of abusive conduct.

13. Stakeholder Relationship and Corporate Responsibility

Members shall act responsibly towards all stakeholders. They shall ensure fair and equitable treatment of shareholders, employees, customers, suppliers, regulators, and the community, encourage sustainable and responsible business practices and uphold principles of good corporate citizenship.

14. Prevention of Bribery, Fraud and Corruption

Directors and Senior Management shall maintain zero tolerance towards bribery and corruption. They shall not offer, give, solicit, or accept any improper benefit, comply with applicable anti-corruption laws and Company policies and avoid any conduct that may give rise to fraud or unethical advantage.

15. Reporting and Vigil Mechanism

Members shall report unethical conduct or violations of this Code without fear of retaliation. They shall promptly report concerns through the Company's vigil or whistle-blower mechanism, cooperate fully in investigations and ensure that no adverse action is taken against persons reporting issues in good faith.

16. Implementation, Monitoring, and Review

This Code of Conduct Policy shall apply to all members of the Board of Directors and Senior Management. The Board shall oversee effective implementation of the Code, review the policy periodically to ensure continued relevance and compliance and approve and disclose any waivers or amendments as required under applicable laws and regulations.

17. Equity and Fair Justice

The Board of Directors and Senior Managers shall maintain equity and fair justice while dealing on behalf of the Company and provide a work environment, free from unlawful discrimination, harassment and intimidations of any nature to all employees of the Company. Any kind of

harassment or discrimination based on gender, religion, age, sex, national origin and other such characteristics shall be strictly prohibited.

18. Gifts, Donations and Corporate Opportunity

No member on the Board/Senior Management of the Company, shall receive or offer, directly or indirectly, any gifts, donations, corporate opportunity, remuneration, hospitality, illegal payments and comparable benefits which are intended to obtain business favors/ personal gains.

19. Amendment to the Code

This code is subject to amendment from time to time. Board has utmost right to amend this code. Decision on amendment of this code shall be taken in any Board meeting and same shall be informed to the Board and Senior Management in due course.

Annexure – I
Code of Conduct for Board Members and Senior Management Personnel
Annual Compliance Report

To

The Board of Directors

Amalgamated Electricity Company Limited

[address]

I _____ do hereby solemnly affirm that that to the best of my knowledge and belief, I have fully complied with the guidelines of the Code of Conduct for Board Members and Senior Management Personnel during the financial year ending on 31st March _____.

Signature: _____

Name: _____

Designation: _____

Date: _____

Place: _____