

CODE OF CONDUCT AND ETHICS POLICY
FOR BOARD MEMBERS AND SENIOR
MANAGEMENT

(Pursuant to Regulation 17 of SEBI (LODR) Regulations, 2015 and DPE Guidelines)



U. P. POWER CORPORATION LIMITED

UPPCL - Code of Conduct and Ethics Policy for Board Members & Senior Management


(Jitesh Grover)
Company Secretary, UPPCL
(Additional Charge)

Page 1 of 11

INDEX

Sr. No.	Particulars	Page No.
1.	Introduction	3
2.	Definitions and Interpretations	4
3.	Applicability	4
4.	Key Requirements	4-6
5.	Duties of Directors and Senior Management	6-7
6.	Specific Duties of Independent Directors	7-8
7.	Health, Safety & Environment	8
8.	Protection of Assets	8
9.	Conflict of Interest	8-9
10.	Compliance of Law	9
11.	Other Directorships	9
12.	Related Party Disclosures	9
13.	Amendments of the Code	9-10
14.	Clarifications regarding the Code	10
15.	Placement of the Code on Website	10
16.	Enforcement of Code of Conduct	10
17.	Acknowledgment of Receipt of the Code (Annexure-I)	11

1. Introduction

Integrity, transparency and trust form part of the core beliefs of all activities at **U. P. Power Corporation Limited** ("UPPCL") (hereinafter referred to as "the Company"), which has been the basis of its growth and development. In terms of the Regulation 17(5) of SEBI (LODR) Regulations, 2015 relating to 'Corporate Governance', as amended from time to time, it is mandatory that a separate legal and ethical standard of conduct is laid and be made applicable to all Board Members and all Senior Management Personnel of the Company. Hence to meet this requirement, this Code of Conduct has been formulated by the Board. This Code broadly lays down the general principles to be followed by the Board Members and the Senior Management Personnel as a guide for making ethical decisions.

- a. This Code of Conduct shall be called "The Code of Conduct and Ethics Policy for Board Members and Senior Management Personnel" of **U. P. Power Corporation Limited** (hereinafter referred to as the "UPPCL" or "the Company" and this Code of Conduct as "this Code").
- b. This Code envisages that the Board of Directors of the Company and Senior Management Personnel should act within the framework of and in compliance with the applicable laws.
- c. The purpose of this Code is to enhance integrity, ethics & transparency in governance of the Company, and thereby reinforce the trust and confidence reposed in the Management of the Company by the shareholders and other stakeholders. The Board Members and Senior Management Personnel are expected to familiarize themselves with this Code and to understand, adhere to, comply with and uphold the provisions of this Code and the standards laid down hereunder in their day-to-day functioning.
- d. This code is in alignment with Company's Vision and Values to achieve the Mission & Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company.
- e. Pursuant to Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), the board of directors of a listed entity is required to lay down a code of conduct for all members of board of directors and senior management of the listed entity.
- f. It shall come into force with immediate effect.

UPPCL - Code of Conduct and Ethics Policy for Board Members & Senior Management



2. Definitions and Interpretations

- a) **“Company”** or **“UPPCL”** shall mean U. P. Power Corporation Limited.
- b) **“Board / Board of Directors”** shall mean the collective body of the Directors of the Company.
- c) **“Board Members”** shall mean the Members on the Board of Directors of the Company.
- d) **“Whole-time Directors”** shall mean the Board Members who are in whole-time employment of the Company.
- e) **“Non- Whole-time Directors”** shall mean the Board Members who are Part-time Directors and not in whole time employment of the Company.
- f) **“Senior Management”** shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would comprise all members of management one level below the Whole time Directors, including Executive Directors, General Managers, Additional General Managers and other Heads of Units/Departments of the Company.
- g) **“Relative”** shall mean ‘relative’ as defined in Section 2 (77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014.
- h) **“Conflict of Interest”** means where the interests or benefits of one person or entity interferes with the interests or benefits of the company.
- i) **“Competent authority”** shall be the Board of Directors in case of Board Members and Director (PM&A) in case of Senior Management Personnel.

Note: In this Code words importing the masculine gender shall include feminine gender and words importing singular shall include the plural or vice-versa.

3. Applicability

- a) This Code shall be applicable to the following persons:
 - i. All Whole-time Directors including the Chairperson and Managing Director of the Company.
 - ii. All Non-Whole-time Directors including Independent Directors unless specifically exempted from provisions of this Code.
 - iii. All Senior Management Personnel.
- b) The Whole-time Directors including the Chairperson and Managing Director of the Company and Senior Management Personnel should continue to comply with other applicable and/or to be made applicable policies, rules and procedures of the Company.

4. Key Requirements

- a) Shall act in utmost good faith and adopt highest standards of personal and professional integrity, fairness, honesty, probity and ethical conduct and fulfil the

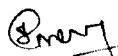
UPPCL - Code of Conduct and Ethics Policy for Board Members & Senior Management


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(Additional Charge)

fiduciary obligations without allowing their independence of judgment to be subordinated or compromised;

- b) Shall not enter into any contract or arrangement without obtaining the approval of the Audit Committee and/ or the Board and where required, approval by a special resolution in the general meeting for related party transactions.
- c) Shall avoid having any personal and/or financial interest in any business dealings concerning the Company;
- d) Shall avoid any dealing/relationship with a Contractor or Supplier (either directly or indirectly) that could compromise the ability to transact business on a professional, impartial and competitive basis or that may influence discretionary decision required to be made by the Board Members/ Senior Management Personnel/the Company;
- e) Shall not hold any position or job or engage in outside business or other interest that is prejudicial to the interests of the Company or that adversely affects the performance of duties with the company;
- f) Shall not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board of Directors in case of Board Members and the Chairman in case of Senior Management Personnel and the Board/Chairman declines to pursue such opportunity for the company and allows him to avail such opportunity;
- g) Shall not make any statement which has the effect of adverse criticism of any policy or action of the Government or of the Company or which is capable of embarrassing the relations between the Company and the public. Provided that nothing in this clause shall apply to any statement made or views expressed by a Board Member and Senior Management Personnel, which are purely factual in nature and are not considered as confidential, in his official capacity or in due performance of the duties assigned to him;
- h) Shall not commit any offence involving moral turpitude;
- i) Shall follow the Risk Management framework/policy established by the Company;
- j) Shall ensure workplace free of discrimination & harassment based on race, colour, religion, caste, age, gender, nationality, origin, disability, veteran status, or any other biases;
- k) Shall not use IT system of the Company for purposes that may be regarded as derogatory, defamatory or obscene or otherwise considered irresponsible and/or compromise the protection and security of IT systems;

UPPCL - Code of Conduct and Ethics Policy for Board Members & Senior Management



- l) Shall be accountable to the stakeholders i.e. shareholders, debtors, creditors, contractors, suppliers, customers, Government etc. in discharge of the duties of the Company;
- m) Shall not contribute (whether directly or indirectly) any funds, credit, property or services of the Company to any Political Parties;
- n) Shall act in a socially responsible manner, within the applicable laws, rules and regulations, customs and traditions of the countries in which the Company operates;
- o) Shall act in accordance with and keeping in mind the Vision, Mission and Values of the Company;
- p) To promote alertness & awareness for safety and the protection of human life/property and environment;
- q) Shall exercise their responsibilities in a bona fide manner in the interest of the Company and act objectively and constructively while exercising their duties;
- r) Shall not allow any extraneous considerations that could vitiate their 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;
- s) Shall not abuse their 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;
- t) Shall assist the Company in implementing the best Corporate Governance practices;
- u) Shall become and remain familiar with Company's business and the economic and competitive environment in which the Company operates and understands Company's business plan, strategies and objectives;
- v) Shall immediately bring to the notice of the Board about any unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

5. Duties of Directors and Senior Management

The Director(s) and Senior Management of the Company shall:

- a) act in accordance with the articles of the company, subject to the provisions of the Companies Act, 2013 and Rules and Regulations of SEBI, as applicable, as amended from time to time;

- b) act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment;
- c) exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- d) not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company;
- e) not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company;
- f) not assign his office and any assignment so made shall be void;
- g) ensure that all directors taken are in adherence to legal/regulatory requirement(s) as applicable to the business of the Company.
- h) the Company of any information that may be perceived to be a violation by any employee or Director or the Company of any legal/regulatory requirement(s) as applicable to the business of the Company.
- i) all Board/Committee/General/Business Meetings and seek leave of absence whenever necessary.

6. Specific Duties of Independent Directors

The independent directors shall—

- a) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- b) 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;
- c) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) strive to attend the general meetings of the company;
- f) 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;

UPPCL - Code of Conduct and Ethics Policy for Board Members & Senior Management



Company Secretary, U.P.
(Additional Charge)

- g) keep themselves well informed about the company and the external environment in which it operates;
- h) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i) 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;
- j) ascertain and ensure that the company has an adequate and functional vigil mechanism
- k) and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- l) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- m) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- n) 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. Health, Safety & Environment

The Directors and Senior Management Personnel of the Company shall provide safe and healthy working environment, prevent wasteful use of natural resources and shall ensure minimum impact on the ecological environment of the use and disposal of any material.

8. Protection of Assets

The Directors and Senior Management Personnel of the Company shall protect the assets including physical assets, information and intellectual rights of the Company and shall not use the same for personal gains.

9. Conflict of Interest

The Board Members and Senior Management Personnel of the Company shall not involve in taking any decision on a subject matter in which a conflict of interest arises or which in his/her opinion is likely to arise and shall make disclosures to the competent authority relating to all material financial and commercial transactions, if any, where they or any of their relatives have personal interest that may have a potential conflict with the interest of the company at large.

The Directors and Senior Management of the Company shall not be present at the meeting where discussion on the resolution relating to contract or arrangement with a related party is being taken.

10. Compliance of Law

The Board Members and Senior Management Personnel shall comply with all laws, rules and regulations as applicable including those relating to the business of the Company.

11. Other Directorships

Unless specifically permitted by the Board in case of Board Members and by the Chairman in case of Senior Management Personnel, the Board Members and Senior Management Personnel shall not serve as Director of any other Company or as Partner of a Firm/Limited Liability Partnership or management position in any other entity that is engaged in a business competing with the Company or with which the Company has business relations.

This clause is not applicable to Ex-officio Government Nominee Directors, Directors appointed by the order of the Government of UP and any nominee Director appointed by any Lenders and Financial Institution in accordance with the lending terms. In case of Independent Directors, if the Board feels, it may refer the conflict of interest to the Government of UP.

Senior Management Personnel shall obtain prior approval of the Chairman of the Company for accepting Directorship of any other Company or partnership of a firm/Limited Liability Partnership or management position in any other entity.

The Functional Directors shall not accept any appointment or post, whether advisory or administrative, in any firm or company, whether Indian or Foreign, with which the Company has or had business relations, within one year from the date of retirement without prior approval of the Government of UP.

12. Related Party Disclosures

The Board Members shall make disclosure of related party transactions to the Board of Directors and the Senior Management Personnel shall make disclosure of the related party transactions to the Chairman & Managing Director as per the provisions of the Companies Act, 2013 and rules framed thereunder read with SEBI (Listing Regulation), 2015.

13. Amendments to the Code

The provisions of this Code can be amended/ modified by the Board of Directors of the Company from time to time and all such amendments/ modifications shall take effect UPPCL - Code of Conduct and Ethics Policy for Board Members & Senior Management


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from the date stated therein. All Directors and Senior Management shall be duly informed of such amendments and modifications.

14. Clarifications regarding the Code

Any member of the Board or Senior Management personnel requiring any clarification regarding this Code may contact to Company Secretary/any officer specifically designated by the Board of Directors.

15. Placement of the Code on Website

Pursuant to the Regulation 17 of SEBI (LODR) Regulations, 2015, this Code and any amendment thereto shall be hosted on the website of the Company.

16. Enforcement of Code of Conduct

- a) Company Secretary shall be the Compliance Officer for the purpose of this Code.
- b) Each Board Member and Senior Management Personnel shall be accountable for fully complying with this Code.
- c) Compliance Officer shall report breach of this Code, if any, which comes to his notice to the Board of Directors of the Company.
- d) The Company shall ensure confidentiality and protection to any person who has, in good faith, reported a violation or as suspected violation of law or of this Code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation.

17. Acknowledgement of Receipt of the Code

All Board Members and Senior Management Personnel shall acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgement form (**Annexure-I**) and forward the same to the Company Secretary indicating that they have received, read, understood and agreed to comply with this code.

**ACKNOWLEDGEMENT OF RECEIPT OF CODE OF CONDUCT AND ETHICS
POLICY FOR BOARD MEMBERS AND SENIOR MANAGEMENT**

I have received and read the Code of Conduct and Ethics Policy for Board Members and Senior Management of U. P. POWER CORPORATION LIMITED.

I understand the standards and policies contained in the said Code of Conduct and Ethics and understand that there may be additional policies or laws specific to my job. I further agree to comply with the said Code of Conduct and Ethics Policy for Board Members and Senior Management.

If I have a concern about a violation, or a potential violation of the UPPCL Code of Conduct, I understand that there are channels available to me in my company to report such concerns. By making use of these channels, when necessary, I will play my part in maintaining the high ethical standards to which we hold ourselves.

Further, I undertake to provide following Affirmation on an Annual basis to the Company within 30 days from the end of 31st March every year.

AFFIRMATION

**(By Board Members and Senior Management of the Company on Annual basis by
30th April of every year)**

I, _____ (name), _____ (designation), having read and understood the Code of Conduct and Ethics Policy for Board Members and Senior Management, hereby solemnly affirm that I have complied with and has not violated any of the provisions of the Code during the year ended 31st March _____.

Signature _____

Name _____

Designation _____

Employment No./SAP ID: _____

Place:

Date:

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