

**COAL INDIA LTD.**  
**CODE OF CONDUCT**  
**FOR**  
**BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

**INTRODUCTION**

- 1.1 This Code of Conduct (“this Code”) shall be called “The Code of Conduct for Board Members and Senior Management Personnel” of Coal India Limited (hereinafter referred to as “the Company”).
- 1.2 The subject code has been framed in line with the provisions of clause 49 of the listing agreement with stock exchanges.
- 1.3 The purpose of this code is to enhance further an ethical and transparent process in managing the affairs of the Company.
- 1.4 It shall come into force with effect from 1<sup>st</sup> day of November, 2008.

**2. DEFINITIONS & INTERPRETATIONS:**

- 2.1 The term “Board Members” shall mean Directors on the Board of Directors of the Company.
- 2.2 The term “Whole-time Director” shall be the Directors on the Board of Directors of the Company who are in whole-time employment of the Company.
- 2.3 The term “Part-time Director” shall mean Directors on the Board of Directors of the Company who are not in whole time employment of the Company.
- 1.3 The term “Relative” shall have the same meaning as defined in Section 6 of the Companies Act, 1956. **(Refer Appendix-I)**
- 2.5 In this code, words importing the masculine shall include feminine and words importing singular shall include the plural or vice versa.

**3. APPLICABILITY:**

- 3.1 This code shall be applicable to the following persons:

All whole-time Directors including the Chairman of the Company.

All part-time Directors including Independent Directors.

Executive Directors and Chief General Manager’s (hereinafter referred to “Senior Management Personnel”).

- 2.1 The whole-time Directors and Senior Management Personnel should continue to comply with other applicable/ to be applicable policies, rules and procedures of the Company.

#### 4.0 **KEY REQUIREMENTS**

The Board Members and Senior Management Personnel must act within the authority conferred upon them and in the best interests of the company and observe the following:

- (i) Shall act in the best interests of and fulfill their fiduciary obligations to the Company.
- (ii) Shall act honestly , fairly, ethically and with integrity.
- (iii) Shall conduct themselves in a professional, courteous and respectful manner and not take improper advantage of their the position.
- (iv) 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.
- (v) Shall comply with communication and other policies of the Company.
- (vi) Shall act in good faith, responsibly, with due care , competence and diligence , without allowing their independent judgment to be subordinated.
- (vii) Shall not use the Company's property or position for personal gain.
- (viii) Shall not use any information or opportunity received by them in their capacity in a manner that would be detrimental to the Company's interests.
- (ix) Shall act in a manner to enhance and maintain the reputation of the Company..
- (x) Shall abstain from discussion, voting or otherwise influencing a decision on any matters that may come before the board in which they may have a conflict or potential conflict of interest.
- (xi) Shall respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service, except when authorized or legally required to disclose such information.
- (xii) Shall not use confidential information acquired in the course of their service for their personal advantage or for the advantage of any other entity.
- (xiii) Shall help create and maintain a culture of high ethical standards and commitment to compliance.
- (xiv) Shall keep the Board informed in an appropriate and timely manner any information in their knowledge which is related to the decision making or is otherwise critical for the company.
- (xv) Shall treat the members of the Board and other persons connected with the Company with respect dignity fairness and courtesy.
- (xvi) Shall avoid conducting business, in his official capacity, with a relative or with private Company in which the relative is a member or a public limited company in which a relative holds 2% or more paid up share capital and with a firm in which the relative is a partner

## 5.0 **ENFORCEMENT OF CODE OF CONDUCT**

- (i) Company Secretary shall be the Compliance Officer for the purpose of this code.
- (ii) Each Board Member and Senior Management Personnel shall be accountable for fully complying with this code.
- (iii) Compliance Officer shall report breach of this code, if any, which comes to his notice to the : (a) Board in case of all Board members and (b) Chairman in case of Senior Management Personnel.
- (iv) All Board Members and Senior Management Personnel shall be subject to any internal or external investigation of possible violations of this code.
- (v) The Company shall ensure confidentiality and protection to any person who has, in good faith, reported a violation or a suspected violation of law, 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.
- (vi) Penalty for breach of this code by Senior Management Personnel shall be determined by the Chairman. In case of breach of this code by the Whole-time Directors and/or Part-time Directors, the same shall be examined by the Board.
- (vii) Penalty may include serious disciplinary action, removal from office and dismissal as well as other remedies, including recommendations for any of the above penalty, to the extent permitted by law and as considered appropriate under the circumstances.

## 6.0 **WAIVER AND AMENDMENTS OF THE CODE**

- 6.1 No waiver of any of the provisions of this code shall be valid unless, the Board of Directors of the company approves such waiver in case of Board members and by Chairman in case of Senior Management Personnel.
- 6.2 The provisions of this code can be amended by the Board of Directors of the company from time to time.

## 7.0 **INSERTION OF THE CODE IN WEBSITE**

In line with the requirement of clause 49 of the listing agreement, this code and any amendments thereto shall be posted on the website of the Company.

## 8.0 **AFFIRMATION OF COMPLIANCE OF THE CODE**

In line with the requirement of clause 49 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. A proforma of Annual Compliance Report is annexed to this Code as **Appendix-II**. The Annual Compliance Report shall be forwarded to the Compliance Officer of the Company.

## 9.0 **ACKNOWLEDGEMENT OF RECEIPT OF THE CODE**

All Board Members and Senior Management Personnel shall acknowledge the receipt of this code in the acknowledgement form annexed to this Code (**Appendix-III**) indicating that they have received, read and understood, and agreed to comply with the code and send the same to the Compliance Officer. Upon revision of this code, the Board Members and Senior Management Personnel shall acknowledge and execute an understanding of the Code (**Appendix-III**) and an agreement to comply. New Directors will sign such a deed (**Appendix-III**) at the time when their directorship begins.

**APPENDIX-I****COAL INDIA LIMITED**

**CODE OF CONDUCT  
FOR  
BOARD MEMFBERS AND SENIOR MANAGEMENT PERSONNEL  
EXTRACT OF SECTION 6 OF THE COMPANIES ACT, 1956**

Meaning of “relative”

6. A person shall be deemed to be a relative of another if, and only if,-
- ( ) they are members of a Hindu undivided family; or
  - ( ) they are husband and wife; or
  - ( ) the one is related to the other in the manner indicated in Schedule IA.

**SCHEDULE IA**

## LIST OF RELATIVE

- Father
- Mother (including step-mother)
- Son (including step-son)
- Son’s wife
- Daughter (including step-daughter)
- Father’s father
- Father’s mother
- Mother’s mother
- Mother’s father
- Son’s son
- Son’s Son’s wife
- Son’s daughter
- Son’s daughter’s husband
- Daughter’s husband
- Daughter’s son
- Daughter’s son’s wife
- Daughter’s daughter
- Daughter’s daughter’s husband
- Brother (including step-brother)
- Brother’s wife
- Sister (including step sister)
- Sister’s husband.

**APPENDIX- II**

**COAL INDIA LIMITED**

**CODE OF CONDUCT  
FOR  
BOARD MEMFBERS AND SENIOR MANAGEMENT PERSONNEL  
ANNUAL COMPLIANCE REPORT**

I ..... do hereby solemnly affirm to the best of my knowledge and belief that I have fully complied with the provisions of the CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL during the year ending 31<sup>st</sup> March .....

Signature.....

Name.....

Position.....

Date .....

Place .....

**APPENDIX- III**

<b>COAL INDIA LIMITED</b>
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CODE OF CONDUCT  
FOR

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ACKNOWLEDGEMENT FORM

I .....have received and read the Company s  
“CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT  
PERSONNEL ( this “ Code ” ) . I have understood the standards and policies contained in  
the Code . I agree to comply with this code.

Signature.....

Name.....

Position.....

Date .....

Place .....