



CODE OF ETHICS FOR SENIOR MANAGEMENT

(Approved by the Board of Directors of the Company on 19th January 2005)



INTRODUCTION:

Hindustan Oil Exploration Company Limited's (the "Company") commitment to ethical and lawful business conduct is the fundamental shared value of our Board of directors, management and employees and is critical to the Company's success. In furtherance of this commitment, the Board of Directors of the Company has approved the Code of Ethics for Senior Management of the Company (the "Code") and is published on the Company's website. The Code is applicable to the Senior Management of the Company.

MEANING OF SENIOR MANAGEMENT:

For the purpose of this Code the term "senior management" shall mean personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise of all members of the management and including all functional heads (hereinafter referred to as "Officers").

PHILOSOPHY:

This Code provides principles to which the Officers are expected to adhere and which they are expected to advocate. This Code is intended as a source of guiding principles, since no code or policy can anticipate every situation that may arise. This Code has been designed to deter wrongdoing and to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships
- Full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, government authorities, Securities & Exchange Board of India (SEBI), shareholders and stock exchanges or otherwise makes public;
- Commitment to enhance shareholder value & comply with all regulations & laws that govern shareholders' rights



- Protecting the Company's confidential and proprietary information and that of our customers' and vendors'
- Compliance with applicable governmental laws, rules and regulations
- The prompt internal reporting of violations of this code
- Accountability for adherence to this code

CONFLICTS OF INTERESTS

An Officer's duty to the Company demands that he or she avoids and discloses actual and apparent conflicts of interests. A conflicts of interests exists where the interests or benefits of one person or entity conflict with the interest of the Company. Examples include:

A. Employment / Outside employment:

In consideration of employment with the Company, Officers are expected to devote their full attention to the business interests of the Company. Officers are prohibited from engaging in any activity that interferes with their performance of responsibilities to the Company, or is otherwise in conflict with or prejudicial to the Company. Our policies prohibit simultaneous employment with suppliers, customers, or competitors of the Company, or from taking part in any activity that enhances or supports a competitor's position. Additionally, Officers must disclose to the Managing Director (MD), any interest that may conflict with the business of the Company.

B. Outside Directorships:

It is a conflict of interest to serve as a director of any company that competes with the Company. Officers must first obtain approval of the MD before accepting a directorship.

C. Business Interests:

If an Officer is considering investing in any customer, supplier, or competitor of the Company, he or she must first take care to ensure that these



investments do not compromise on their responsibilities to the Company. Our policy requires that Officers first obtain approval of the MD before making such an investment. Many facts should be considered in determining whether a conflict exists, including the size and nature of the investment; the officer's ability to influence the Company's decisions; his or her access to confidential information of the Company or of the other company; and the nature of the relationship between the Company and the other company.

D. Related Parties:

As a general rule, Officers should avoid conducting Company business with a relative, or with a business in which a relative is associated in any significant role. Relatives include spouse, siblings, children, parents, grandparents, grandchildren, step relationships, and in-laws. The Company discourages the employment of relatives of Officers in positions or assignments within the same department. Further the Company prohibits the employment of such individuals in positions that have a financial dependence or influence (e.g. an auditing or control relationship, or a supervisor / subordinate relationship).

E. Payment or gifts from others:

Under no circumstances may Officers accept any offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value from customers, vendors, consultants, etc., that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, or opportunity for commitment of any fraud. Inexpensive gifts, infrequent business meals, celebratory events and entertainment, provided that they are not excessive or create an appearance or impropriety, do not violate this policy. Before accepting anything of value from an employee of a government entity, please contact the Human Resources (HR) department. Gifts given by the Company to suppliers or customers should be appropriate to the circumstances and should never be of a kind that could



create an appearance of impropriety. The nature and cost must always be accurately reported in the Company's books and records.

F. Corporate opportunities:

Officers owe a duty to the Company to advance its legitimate interests. Officers may not exploit for their own personal gain, opportunities that are discovered through the use of corporate property, information or positions, unless the opportunity is disclosed fully in writing to the MD and the MD declines to pursue such opportunity.

G. Industry associations:

Membership on boards of industry associations generally does not present conflicts of interest. However, Officers should be sensitive to possible conflicts with the Company's business interests, if, for instance, the association takes a position adverse to the Company's interests or those of its key stakeholders.

H. Other situations:

Because other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts, Officers must consult the Company's HR department.

GOVERNMENT AGENCIES:

Officers shall not offer or give any Company funds or property as donation to any government agency or its representative, directly or through intermediaries, in order to obtain any favorable performance of official duties.



HONORARIA:

Speaking at events, when it is determined to be in the Company's best interests, is considered part of an Officer's normal job responsibilities. Because Officers will be compensated by the Company for most or all of their time spent preparing for, attending, and delivering presentations approved by management, Officers should not request or negotiate a fee or receive any form of compensation from the organization that requested the speech, unless the Officer first receives express authorization from the MD. However, Officers are permitted to get reimbursed for expenses like travel, hotel etc., and acceptance of nominal gift is permitted from the organization that requested the speech/presentations etc.

HEALTH, SAFETY & ENVIROMENT (HSE):

Officers shall be governed by the Company's HSE Policies. However there would be special emphasis laid on individual initiatives & self-discipline.

COMPLIANCE WITH GOVERNMENTAL LAWS, RULES REGUALTIONS AND COMPANY POLICIES:

In carrying out their duties and responsibilities, Officers should comply, with applicable laws, rules and regulations. Officers must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognise potential dangers, and to know when to seek advise from the MD. Violations of applicable governmental laws, rules and regulations may subject officers to individual criminal or civil liability, as well as to disciplinary action by the Company. Such individual violations may also subject the Company to civil or criminal liability or the loss of business.

In addition, if any Officer becomes aware of any information that he or she believes constituting evidence of a material violation of the securities or other laws, rules or regulations applicable to the Company or the operation of its business, by the Company, then such Officer should bring such information to the attention of the MD.



INSIDER TRADING:

Officers should observe Company policies applicable to them as reflected in 'HOEC Code of Conduct for Prevention of Insider Trading (additional copies of which can be requested from the Compliance Officer at any time) as well as the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 or any statutory modification or re-enactment thereof with respect to the purchase & sale of and dealing in the Company's securities.

PROTECTING COMPANY ASSETS:

The assets of the Company should not be misused but employed for the purpose of conducting the business for which they are duly authorized. These include tangible assets such as equipment & machinery, systems, facilities, resources as well as intangible assets such as intellectual property rights, proprietary information & so on.

HOEC PUBLIC DISCLOSURES:

As a public company it is of critical importance that the Company's filings with the government authorities, SEBI and stock exchanges be accurate and timely. Depending on their position with the Company, Officers may be called upon to provide information to assure that the Company's public reports are complete, fair and understandable. The Company expects all of its Officers to take this responsibility very seriously and to provide information that is accurate, complete, objective, relevant, timely, and understandable.

PRESERVING CONFIDENTIALITY:

Company's confidential and proprietary information is an invaluable asset that all Officers must take great care to protect; Company information that leaks prematurely into the press or to competitors can hurt project implementation, eliminate our competitive advantage, and prove costly in number of other ways. So our responsibilities in this arena extend beyond merely not revealing confidential



Company material; they also include its proper labeling, securing and disposal; the safeguarding of confidential information that the Company receives from third parties under non-disclosure agreements; and internal compliance with applicable intellectual property laws, such as those protecting patents, copyrights, trade secrets and trademarks.

a. Confidential Information

Disclosure of confidential information should be on a "need to know" basis. When such instances arise, simply make sure of an appropriate nondisclosure agreement for the signature of all appropriate parties. In addition, please promptly report to the MD any possible infringements of Company's intellectual property.

b. Third-party Information

Just as Officers should be careful not to disclose confidential Company information, it's equally important not to disclose any confidential third-party information with which he/she may be entrusted in the course of ones work. Officers should take care not to accept any confidential information from third parties without a duly signed nondisclosure agreement. Even after the agreement is signed, try only to accept as much information as is necessary to accomplish ones business objectives. Also, please remember that Officers are personally responsible for reading the nondisclosure agreement and abiding by its restrictions.

Officers should also be sure to obtain legal licenses for any third-party software he/she uses in work, and that one has received a publisher's consent, or consult the Information Technology department, before copying any publication or software in connection with ones work with the Company.



c. Outside Communications

Officers must know that the Company believes in being extremely careful about disclosing company information. It's undesirable to post discussions or information about the Company on the internet or anywhere else unless one is authorized to do so as part of his/her job. Officer should never discuss the Company with members of the media unless he/she has been explicitly authorized to do so.

d. Communication with the Financial Community

Any Officer who is contacted by a member of the financial community, the press or any other outside organization is not to provide information regarding the Company's business without prior approval.

If a member of the financial community, or a member of the press or other outside organization contacts any Officer please refer the individual to a member of the Company's Business Development team. Anyone who violates this policy may be subject to disciplinary action, including immediate termination.

ACKNOWLEDGEMENT

Officers are required to sign the acknowledgement form annexed to this code (**Annexure I**) and return the same to the HR department indicating that they have received, read and understood, and agree to comply with the Code.

VIOLATIONS OF THE CODE

Part of Officer's job, and of his or her ethical responsibility is to help enforce this code. Officers should be alert to possible violations and report this to the HR department. Officers must cooperate in any internal or external investigations of possible violations. Reprisal, threat, retribution or retaliation against any person who has, in good faith, reported a violation or a suspected violation of laws, this code or other Company policies, or against any person who is assisting in any investigation or process with respect to such violation, is prohibited.



Actual violation of law, this code, or other Company policies or procedure, should be promptly reported to the HR department.

The Company will take appropriate action against any Officer whose actions are found to violate the Code or any other policy of the Company. Disciplinary actions may include immediate termination of employment at the Company's sole discretion. Where the Company has suffered loss, it may pursue remedies against individuals or entities responsible. Where laws have been violated, the Company will cooperate fully with appropriate authorities.

WAIVERS AND AMENDMENTS OF THIS CODE

The Company is committed to continuously reviewing and updating its policies and procedures. Therefore, this code is subject to modification. Any amendment or waiver of any provision of this code must be approved in writing by the Company's Board of Directors and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment or waiver.

COMPLIANCE WITH THE CODE

Each Officer is required to certify that he or she has complied and is in compliance with this Code. Such certification may be in substantially the form attached as **Annexure II** to this code.



ANNEXURE I

ACKNOWLEDGEMENT:

I have received and read the Company's Code of Ethics for Senior Management (the "Code"). I understand the standards and the policies contained in the code and understand that there may be additional policies or laws specific to my job. I agree to comply with the Code.

If I have questions concerning the meaning or application of the Code, any Company policies, or the legal and regulatory requirements to my job, I know I can consult the HR department, and that my questions or reports to these sources will be maintained in confidence.

Name of Officer :

Signature :

Date :

Please sign and return this form to the HR department



ANNEXURE II

ANNUAL CERTIFICATION: COMPANY'S CODE OF ETHICS FOR SENIOR MANAGEMENT

I, *[insert name]*, hereby certify and acknowledge that: (i) I have received, read, and understood the "Company's Code of Ethics for Senior Management"; (ii) such Code has been and is applicable to my duties as a member of the senior management team of the Company; (iii) I have complied and am in compliance with such Code; and (iv) I am not aware of any non-compliance with such Code by others.

Signed: _____

Name Printed: _____

Date: _____ "