


Panacea Biotec Limited  
Code of Conduct

 Panacea Biotec Innovation in support of life	CODE OF CONDUCT	Policy No - Supercede - 1.1 Date: 13.02.2015
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Code of Conduct  
(Version 1.2)  
(Living Our Values around the Globe)

**1. General Philosophy**

Panacea Biotec Ltd (hereinafter referred to as "the Company") is committed for maintaining the highest standards of ethical conduct. This code of conduct reflects the business practices and principles of behaviour that support its commitment. It is adopted by the Company to not only comply with the Listing Agreement entered into by the Company with the Stock Exchanges where securities of the Company are listed i.e. The Bombay Stock Exchange Limited (BSE), Mumbai and National Stock Exchange of India Limited (NSE), Mumbai but also to govern the actions and working relationships of the Company, its Directors/ Senior Management and other Employees of the Company with current and potential customers, vendors, fellow employees, competitors, government and self-regulatory agencies and anyone else with whom the Company has contact.

This Code is intended to focus the attention of each of the Directors / Senior Management and other Employees on areas of conflicts, provide guidance relating to handling of ethical issues, provide mechanism to report potential conflicts or unethical conduct and help foster a culture of honesty & accountability. The Company respects the local, state and national laws in the countries in which it operates. This Code of Conduct will be administered in accordance with those local, state and national laws. Each Director/ Senior Management and Employee of the Company is expected to comply with the letter and spirit of this Code.

The Employees of the Company must not only comply with applicable laws, rules and regulations but should also promote honest and ethical conduct of the business. They must abide by the policies and procedures that govern the conduct of the Company's business. Their responsibilities include helping to create and maintain a culture of high ethical standards and commitment to compliance, and to maintain a work environment that encourages the stakeholders to raise concerns to the attention of the management.

In incidence of non-compliance, employees are encouraged and expected to report this to management and are assured that there will be no retaliation or other negative consequences.

**2. Scope :**

**PART ( A )** - Covers all the Directors as well as Employees across all levels of the Company.

**PART ( B )** - All the Directors and Senior Management Team

*Subi Kumar Jais*

"Senior Management" means personnel of the company who are members of its core management team excluding Board of Directors. This would comprise all members of management one level below the Executive Directors, including all functional heads.

### **3. Purpose:**

This Code of conduct intends to remind Directors / Senior Management and other Employees of their responsibilities towards the community and build the relationship based on Integrity, Fairness and the following values of the Company in their dealings with Employees, Customers and Vendors:

- i. Intellectual Integrity
- ii. Ruthless Execution
- iii. Commitment to depth
- iv. Shameless innovation
- v. Extraordinary humanity
- vi. Punishment precedes Rewards
- vii. Online feedback

### **4. General Requirement:**

#### **4.01 Laws and regulations:**

All the units of The Company and the parties with whom the Company has dealings shall operate in full compliance with relevant laws and regulations applicable to their operations and employment in the countries in which they operate.

This is the minimum requirement in all sections of this Code of conduct.

#### **4.02 Parties with whom Company has dealings:**

The parties with whom the Company has dealings shall agree to comply with this Code of Conduct to the extent possible. If the party uses subcontractor(s), it is the responsibility of such party to ensure that the subcontractor also complies with the requirements in this Code of Conduct to the extent possible.

It is expected from the Employees of the Company to specifically mention in writing in all their agreements & contracts with the third parties that they agree to familiarize themselves with the

Company's Code of Conduct posted at the company's website ([www.panaceabiotec.com](http://www.panaceabiotec.com)) and comply with the same to the extent possible.

### **PART ( A )**

This Code doesn't attempt to describe all potential areas that could develop, but some of the more common areas are described below:

*Prithvi Kumar Jain*

## **I. Conflicts of Interest**

Directors / Senior Management and other Employees shall avoid conflicts of interest between himself / themselves and the Company. Any situation that involves or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly to the next level in the hierarchy of the Company, who shall address / take appropriate action and if necessary he/she will inform the same to the next level in the hierarchy of the Company.

For the Company to operate in a fair and open manner, it is very important that every employee avoids any situation or interest which might interfere with his/her judgment regarding his/her responsibilities to the Company, other employees, customers, vendors and other parties.

Some of the conflicts (illustrative but not exhaustive) from which an employee must refrain are set out below:

- Relationships with third parties: Directors / Senior Management and other Employees should not receive any personal benefit from any person or firm which is seeking to do business or to retain business with the Company.
- Has a financial or other interest that could affect his/her judgment.
- Gains personal enrichment through access to confidential information.
- Misuses his/her position in the Company in a way which results in personal / financial gain
- Receives gifts or entertainment from any party with which the Company has current or prospective business dealings. However, souvenirs / nominal gifts received upto a value of Rs. 1,000/-, which are customarily given and are of commemorative nature for special events, will not be considered as an instance of conflict of interest.
- Any significant ownership interest in any vendor, customer, business associate or competitor of the Company,
- Any consulting or employment relationship with any vendor, customer, business associate or competitor of the Company.

Directors / Senior Management and other Employees should be scrupulous in avoiding 'conflicts of interest' with 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 next level in hierarchy of the Company and a prior written approval should be obtained therefrom.

## **II. Financial reporting and records:**

The Company shall prepare and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the company conducts its business affairs.

Internal accounting and audit procedures shall fairly and accurately reflect all of the company's business transactions and disposition of assets. All required information shall be accessible to the Company's auditors and other authorized parties and government agencies. There shall be no willful

*Shri K. Anand*

omissions of any of the Company's transactions from the books and records and no hidden bank account and funds.

Any willful material misrepresentation of and/or misinformation on the financial accounts and reports shall be regarded as a violation of the code.

### **III. Honest and Ethical Conduct:**

Directors / Senior Management and other Employees shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct on Company's premises as well as offsite. They shall act and conduct free from fraud and deception. Their conduct shall conform to the best-accepted professional standards of conduct.

They shall desist from malicious allegations, spreading rumours and such other acts which may be inconsistent with honest and ethical conduct.

### **IV. Harassment:**

All Directors / Senior Management and other Employees shall treat other fellow employees with respect & dignity and shall refrain from any kind of harassment whether sexual or otherwise.

### **V. Gifts and donations :**

The Company and its Directors / Senior Management and other Employees shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favours for the conduct of its business.

However, the Company and its Directors / Senior Management and other Employees may accept nominal gifts upto a value of Rs.1,000/- and offer gifts which are customarily given and are of commemorative nature for special events or in the normal course of the Company's business.

Any gift of a higher value should be returned back to the giver with a request not to repeat this in future. Any instance of repetition would be taken seriously and could invite disciplinary action.

### **VI. Confidentiality:**

The Directors / Senior Management and other Employees shall maintain the confidentiality of confidential information of the Company or that of any customer, vendor or business associate of the Company to which Company has a duty to maintain confidentiality, except when disclosure is authorized or legally mandated. The Company's confidential and proprietary information shall not be disclosed or used for the personal gain or advantage of any Director! Senior Management and other Employees. These obligations apply during a Director's/ Senior Management and other Employee's term and for a period of one year thereafter.

*Handwritten signature*

The Confidential information includes all non-public information (including private, proprietary and other) that might be of use to competitors or harmful to the Company. The use of confidential information for his/her own advantage or profit is also prohibited.

**VII. Concurrent Employment / Assignment:**

The Senior Management & other Employee of the Company shall not, without the prior approval of the Managing Director (MD) / Joint Managing Director (JMD) / Whole-time Director (WTD), accept employment or a position of responsibility (such as a consultant or a director) with any one.

Further, any presentation / hand-outs proposed to be distributed to outsiders should not contain any confidential information and should be approved by MD / JMD / WTD.

**VIII. Fair Dealing:**

In carrying out their duties and responsibilities, Directors / Senior Management and other Employees should endeavor to deal fairly, and should promote fair dealing by the Company, its employees and agents, with customers, vendors and employees.

Directors / Senior Management and other Employees should not seek to take unfair advantage of the Company through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing.

**IX. Compliance with laws, rules & regulations:**

In carrying out their duties and responsibilities, Directors / Senior Management and other Employees should comply, and endeavour to ensure that the Company is complying with applicable laws, rules and regulations. In addition, if he/she becomes aware of any information that he/she believes constitutes evidence of a material violation of any securities or other laws, rules or regulations applicable to the Company or the operation of its business, by the Company, any employee or director, then such he/she should bring such information to the attention of the MD/JMD/WTD of the Company.

**X. Corporate Opportunities:**

In carrying out their duties and responsibilities, Directors / Senior Management and other Employee should avoid:

- a. Taking for themselves (or for their companies or other organizations in which they have financial or other interest) opportunities related to the Company's business.
- b. Using the Company's property or information for personal gain.
- c. Competing with the Company for business opportunities.

*For the use of Jan*

A corporate business opportunity is an opportunity (1) which is in the Company's line of business or proposed expansion or diversification, (2) which the Company is financially able to undertake and (3) which may be of interest to the Company.

A Director / Senior Management who learns of such a corporate business opportunity and who wishes to avail of, he/she should disclose such opportunity to the Company's Board of Directors. If the Board of Directors determines that the Company does not have an actual or expected interest in such opportunity, then, and only then, may the Director / Senior Management avail of it, provided that the Director / Senior management has not wrongfully utilized the Company's resources in order to acquire such opportunity.

#### **XI. Disclosure of any illegal or unethical behaviour:**

Directors/Senior Management and other Employees should promote ethical behaviour and take steps to ensure that the Company:

- a. Encourages employees to report violations of laws, rules and regulations applicable to the Company.
- b. Encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation.

#### **XII. Connection with Press/ TV/ Radio:**

The Chairman / Managing Director /Joint Managing Director(s) will appoint one or more Sr. level officer(s) of the Company as 'Spokesperson' who would interact with the media/ radio/ press. No Directors / Senior Management and other Employees except with the permission of MD/JMD/WTD, will make any statement in press/ media. No Directors / Senior Management and other Employees of the Company can criticize the Company in any article / in radio/ TV broadcast etc.

#### **XIII. Duties of Independent Directors**

The duties of Independent Directors of the Company, as laid down under Schedule IV to the Companies Act, 2013, are incorporated herein pursuant to Clause 49 of the Listing Agreement with Stock Exchanges. It shall be the duty of Independent Directors to:

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- 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;
- strive to attend all meetings of the Board of Directors and of the Board committees of which they are members;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- strive to attend the general meetings of the Company;

*Joshi K. Umariyani*

- Ensure where they have concerns about the running of the Company or a proposed action, they shall ensure that these are addressed by the Board and, to the extent that they are not resolved, they shall insist that their concerns are recorded in the minutes of the Board meeting;
- keep themselves well informed about the Company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 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;
- ascertain and ensure that the Company has an adequate and functional vigil mechanism and ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- act within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- not to 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.

## **PART (B)**

In addition to the above stated PART (A) the Directors and Senior Management are also expected to comply with this part of the Code.

### **1. Pre-notification of outside Positions:**

Directors should inform the Company Secretary prior to accepting a position of a Director with any other business organization which is in the Company's line of business, viz. Pharmaceuticals and/or Biotechnology. In other cases, the Directors shall inform within 30 days of accepting such position.

The Senior Management of the Company should seek prior permission from MD/JMD/WTD before accepting any directorship or management position with another business organization.

### **2. Insider Trading:**

Directors/Senior Management should observe all applicable laws and regulations including the Company policies and Codes as applicable to them with respect to the purchase and sale of the Company's securities.

It is the responsibility of each Director / Senior Management to become familiar with and understand these laws, regulations, policies and codes and should seek further explanations and advice concerning their interpretation and if required, Directors / Senior Management should direct questions regarding the application or interpretation of these guidelines to the Company Secretary.

*S. S. Kumar Jain*

### **3. Monitoring and Compliance:**

MD/JMD/WTD of the Company are responsible for implementing and informing employees of their rights, duties and responsibilities under this Code of conduct. They are also responsible for ensuring the maintenance of adequate documentation.

### **4. Compliance with Code of Conduct:**

If any Director / Senior Management or other Employee who knows of or suspects of a violation of applicable laws, rules or regulations or of this Code of conduct, he/she must immediately report the same to the next level in the hierarchy of the Company who shall address / take appropriate action and if necessary he/she will inform the same to the next level in the hierarchy of the Company. Such person should as far as possible provide the details of suspected violations with all known particulars relating to the issue. The Company recognizes that resolving such problems or concerns will advance the overall interests of the Company that will help to safeguard the Company's assets, financial integrity and reputation.

Violations of this Code of Conduct could result in disciplinary action, which may even include termination of services of the employee. MD/JMD/WTD shall determine appropriate action in response to violations of this Code of Conduct.

### **5. Interpretation of Code:**

Any question or interpretation under this Code of Conduct will be handled by the MD/JMD/WTD.

### **6. Waiver and Amendments of the Code**

The Company is committed to continuously review and update its policies and procedures. Therefore, this code is subject to modification.

From time to time, the Company may in limited circumstances waive some provisions of this Code to address equitable concerns raised to the MD/JMD/WTD of the Company. Such waivers will not be granted unless necessary and warranted and will only be done in a limited and qualified manner.

Any waiver or amendment must be approved in writing by the Company's MD/JMD/WTD.

Every amendment in the Code relating to Directors/ Senior Management will be placed before the Board for its approval and disclosed on the Company's website.

### **7. Disclaimer:**

This Code of conduct is a statement of certain fundamental principles, ethics, values, policies and procedures that govern the Directors / Senior Management and other Employees of the Company in

*Sunita K. Arora*



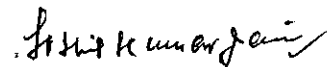
the conduct of the Company's business. It is not intended to and does not create any rights in any employee, customer, client, vendor, competitor, shareholder or any other person or entity.

**8. Annexures Attached:**

Annexure A : Acknowledgement of Receipt of Code of Conduct

Annexure B : Annual Certification to be given at the end of each Financial Year.

**For and on behalf of Board**



**Mr. Soshil Kumar Jain**

**Chairman**

**Annexure A**

**Acknowledgement of Receipt of Code of Conduct for Directors / Senior Management and other Employees:**

I, .....[insert name], have received and read the Company's Code of Conduct for Directors / Senior Management and other Employees. I understand the standards and policies contained in the Code and agree to comply with the same.

I understand that all policies as presented are subject to change or revocation at the sole discretion of the Board of Directors / Managing Director/ Joint Managing Director(s)/ Whole-time Director(s) of Panacea Biotec Ltd. ("the Company"), at any time. I understand and agree that any revisions or updates to the Code, whether posted on the Company's website, sent to my web mail account, or otherwise communicated to me, shall apply to me.

All decisions by the Board of Directors / Managing Director / Joint Managing Director(s) / Whole-time Director(s) of the Company as to interest, interpretation, or application of these policies shall be binding upon me. The Company will apply all its policies in accordance with appropriate laws from time to time.

If I have questions concerning the meaning or application of the Code, I know I can consult the Company Secretary of the Company and that my questions or reports to these sources will be maintained in confidence.

Signature:

Name:

Designation:

Place:

Date:

**Annexure B:**

**ANNUAL CERTIFICATION: PANACEA BIOTEC LTD.**

**CODE OF CONDUCT AND ETHICS FOR DIRECTORS / SENIOR MANAGEMENT AND  
OTHER EMPLOYEES**

I,..... [insert name], hereby certify and acknowledge that:

- (i) I am an Employee/ a member of the Board of Directors / Senior Management Team of the Company;
- (ii) I have received, read, and understood the "Code of Conduct" of Panacea Biotec Limited ("the Company");
- (iii) Such Code has been and is applicable to my duties as an Employee/ a member of the Board of Directors / Senior Management Team; and
- (iv) I have complied and am in compliance with such Code.

Signed: \_\_\_\_\_

Name:

Designation: \_\_\_\_\_

Place: \_\_\_\_\_

Date:

**Note: Annual Certification in respect of Directors/ Senior Management will be sent to the Company Secretary within 30 days of close of each Financial Year. The concerned Functional Head shall collect annual certification in respect of the Employees within his/her department within the said period and confirm the same to the Company Secretary.**