



Pharmaids Pharmaceuticals Limited

Code of Conduct for Board of Directors, Senior Management Personnel and Employees



BOARD OF DIRECTORS

Pharmaids Pharmaceuticals Limited

A. PREAMBLE

- i. This Code of Conduct (“Code”) for Board of Directors and Senior Management shall be called as “Code of Conduct for Board of Directors and Senior Management” of Pharmaids Pharmaceuticals Limited (hereinafter referred as the “Company” or PPL).
- ii. This Code is formulated for the members of the board of directors of the Company (“Board”) and the members of the Senior Management Team (“Senior Management”) pursuant to Section 149 of the Companies Act, 2013, as amended, and Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as the “Listing Regulations”).
- iii. The Code is in alignment with the Company’s objectives and Corporate Governance Policy. The Code is intended to maintain the high standards of transparency, business conduct ethics, corporate culture and the values. The Code is also to act as a deterrent from unethical doings and to promote ethical values and is the manifestation of the Company’s commitment to successful operation of the Company’s business in the best interest of the shareholders, creditors, employees and other business associates.

B. OBJECTIVE

The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company.

C. APPLICABILITY

This “Code” is applicable to all Board Members, Senior Management Personnel and Employees of the Company.

D. DEFINITIONS & INTERPRETATION

Unless repugnant to the meaning context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

- i. **“Board”** shall mean the Board of Directors of the Company.
- ii. **“Company”** shall mean Pharmaids Pharmaceuticals Limited.
- iii. **“Compliance Officer”** shall mean the Company Secretary of the Company.
- iv. **“Directors”** shall mean directors on the Board.
- v. **“Employee”** or **“Employees”** shall mean a person who is employed by the Company and includes but not limited to employees-direct or indirect, temporary, probationary or permanent employed in any branches/units in India.
- vi. **“Relative”** or **“Relatives”** shall mean ‘relative’ as defined under Sections 2(77) of the Companies Act, 2013 read with Rule 4 of the Companies (Specification of Definition Details) Rules, 2014.

- vii. **“Senior Management Personnel”** shall mean personnel of the Company who are members of its core management team (excluding Directors) and who occupy the position of Heads of various departments in the Company/Group Heads (i.e., all members of management one level below the executive directors, including all heads of various Departments).

E. PURPOSE

The Company’s reputation depends on the conduct of its Directors, Senior Management Personnel and its employees. Every employee who is associated with the Company must play a part in maintaining Company’s reputation for the highest ethical standards.

The purpose of this Code is to:

- i. Articulate the high standard of honesty, integrity, ethical and law-abiding behaviour expected of Directors, Senior Management Personnel.
- ii. Encourage the observance of those standards to protect and promote the interests of shareholders and other stakeholders (including employees, customers, suppliers and creditors and society at large).
- iii. Guide Directors and Senior Executives as to the practices thought necessary to maintain confidence in the Company’s integrity; and
- iv. Set out the responsibility and accountability of Directors and Senior Management Personnel to report and investigate any reported violations of this code or unethical or unlawful behaviour. It is impossible to spell out every possible ethical scenario. The Directors and Senior Management Personnel should rely on the discretion, judgement and skill expected from a reasonably prudent person under comparable circumstances. This Code will provide Directors and Senior Management Personnel of Company only general guidance on the standards of conduct except of them including guidelines on conflict of interests.

F. HONESTY & INTEGRITY

- i. All Directors and Senior Management Personnel shall conduct their activities and fulfill their fiduciary obligations, on behalf of the Company and on their personal behalf, honesty, integrity and fairness and in the best interest of the Company. All Directors and Senior Management Personnel shall act on a fully informed basis, in good faith, responsibility, due diligence and care, competence and diligence, without allowing their independent judgement to be subordinated and in the best interest of the Company.
- ii. All Directors and Senior Management Personnel to exercise good judgment, to ensure the interests, safety and welfare of customers, employees, and other stakeholders and to maintain a cooperative, efficient, positive, harmonious and productive work environment and business organization.

- iii. Directors and Senior Management Personnel shall not engage in activities that are dishonest or lacking in integrity.
- iv. Directors and Senior Management Personnel should be able to commit themselves effectively to their responsibilities.

G. CONFLICT OF INTEREST

- ✓ Directors and Senior Management Personnel are expected to dedicate their best efforts towards advancing the Company's interests and towards making decisions that are in the company's best interest; independent of outside influences.
- ✓ Directors and Senior Management Personnel are prohibited from misrepresenting the Organization for their own personal benefit outside the Organization.
- ✓ A conflict of interest occurs:
 - i. When a Directors and Senior Management Personnel and Employee takes action or has interests that may make it difficult for him/her to perform his or her work objectively and effectively.
 - ii. When a Directors and Senior Management Personnel and Employee receives improper personal benefits for self or for member of an employee's family as a result of his/her position in the company.
 - iii. When outside business activity detracts the Directors and Senior Management Personnel and Employee from devoting appropriate time and attention to his/ her responsibilities in the company.
 - iv. On receipt of non-nominal gifts or excessive entertainment from any person/company with which the company has current or prospective business dealings.
 - v. When a Directors and Senior Management Personnel and Employee has any significant ownership/ interest in any supplier, customer, or competitor of the company.
 - vi. When a Directors and Senior Management Personnel and Employee has a consulting or employment relationship with any contractor, customer, business associate or competitor of the company.
- ✓ Directors and Senior Management Personnel should avoid '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 Reporting Manager who in turn informs the same to MD.

H. CONFIDENTIAL INFORMATION

- ✓ The Directors and Senior Management Personnel should conduct themselves 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 for good decision making.
- ✓ “Confidential information” includes all information of the Company not authorized by the management of the Company for public dissemination. This includes information on trade, trade secrets, confidential and privileged information regarding customers, employees, information relating to mergers and acquisitions, stock splits and divestiture, non-public information about discussions and deliberations relating to business issues and decisions, between and among employees, officers and Directors in formal meeting or otherwise and should include all information in respect of the Company which is not available in the public domain at that point of time. Any information concerning the Company's business, its customers, suppliers etc., which is not in public domain and to which Directors and Senior Management Personnel have access or which is possessed by them by virtue of their position / status in the Company must be considered confidential information.
- ✓ All confidential information must be held in confidence, unless authorized by the Board or otherwise permissible in accordance with this Code or the same is part of the public domain at the time of disclosure or is required to be disclosed in accordance with applicable laws.
- ✓ The Directors and Senior Management Personnel shall ensure that confidential information is not disclosed inadvertently or otherwise except in compliance with this Code.
- ✓ Any disclosure shall at all times be in compliance with the Company’s Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

I. INSIDER TRADING

- ✓ Directors and Senior Management Personnel should not derive benefit or assist others to derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of information about the Company, not in public domain and therefore constitutes insider information.
- ✓ All Directors and Senior Management Personnel should comply with ‘Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons’ in shares of the Company’ circulated by the Company and all insider-trading guidelines issued by the Securities Exchange Board of India.

J. FAIR DEALING

- ✓ In carrying out their duties and responsibilities, Directors, Senior Management Personnel and Employee should endeavor to deal fairly, and should promote fair dealing by the Organization, its employees and agents, with customers, suppliers and competitors.
- ✓ No Director, Senior Management Personnel and Employee should seek to take unfair advantage of anyone (including the Organization) through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

K. FAVOURS, GIFTS AND ENTERTAINMENT

The Organization has many business partners, all of whom are vital to the Organization's success. All of these relationships must be based entirely on sound business decisions and fair dealing. Business gifts and entertainment can build goodwill, and are a part of normal relationships with business partners, but they can also create a perception of conflict of interest that can undermine the integrity of the relationships. On account of this, all employees are expected to know this Policy and to know the equivalent policies of the Organization's business partners and customers. Any courtesy should always comply with the policies of the recipient's organization.

"Favors, gifts and / or entertainment" means anything of value, including meals, lodging, discounts, loans, cash, favorable terms on any product or service, services, equipment, prizes, products, transportation, use of vehicles or vacation facilities, stocks or other securities (including accepting the opportunity to buy "directed shares" - also called "friends and family shares" - from a Organization where the employee is now or is likely to become in any way involved in relationship with that Organization), home improvements, tickets and gift certificates. The potential list is endless and the items are just examples.

L. POLITICAL NON-ALIGNMENT

- ✓ The Organization shall not support directly or indirectly any specific political party or candidate for political office. The Organization shall not offer or give any Organization funds or property as donations, directly or indirectly, to any specific political party, candidate or campaign.

M. COMPLIANCE TO LAWS

- ✓ Organization complies with all legislations applicable and expects its employee not to violate knowingly and unknowingly any of the laws enacted from time to time.

N. PROTECTION AND PROPER USE OF COMPANY'S ASSETS

- ✓ In carrying out their duties and responsibilities, all employees should endeavor to protect the Organization's assets and proprietary information, and ensure that the same are being used only for legitimate business purposes of the Organization.
- ✓ All Directors, Senior Management Personnel and Employees should protect company's assets and property and ensure its efficient use.
- ✓ Theft, carelessness, and wastage of Company's assets and property have a direct impact on the company's profitability.
- ✓ Any suspected incident of fraud, mismanagement of Organization assets or theft should be immediately reported for investigation to the HR Department or such other person / committee as designated by the Management for the investigation / resolution of such incidents in this regard.

O. DISCIPLINARY PRACTICES

- ✓ Directors, Senior Management Personnel and Employee and members of their immediate families may not accept gifts from any person(s) or firm/ company(s) who deal with the Organization where the gift is being made in order to influence the employees or where acceptance of the gift could create the appearance of a conflict of interest.
- ✓ Directors, Senior Management Personnel and Employees are required to produce true information regarding name, age, qualification, previous experience, or any other matter relevant to the employment at the time of taking the employment or any change in information during the course of the employment.
- ✓ Directors, Senior Management Personnel and Employees should abstain from willful insubordination or disobedience, whether or not in combination with others, of any lawful orders of a superior.
- ✓ No Director, Senior Management Personnel and Employee should take up any employment except for the employment with the company, whether full time, part time or as a visiting faculty without obtaining permissions in writing from the company in this regard. Prior permission has to be sought from Reporting Manager, Department/ Group Head and the MD in this regard.
- ✓ Directors, Senior Management Personnel and Employees shall not make any statement or representation in any media with respect to the company in any manner without obtaining permissions in writing from the company in this regard. Prior permission has to be sought from Department/ Group Head, Head – HR and the MD in this regard.

- ✓ Directors, Senior Management Personnel and Employees should avoid habitually late or irregular attendance and suitable action may be taken by the company in case of non-compliance by the employee.
- ✓ Directors, Senior Management Personnel and Employees shall not refuse any transfer anywhere in India and/or from one department, unit and/or establishment to another whether existing or which may be setup in future subject to the condition that the emoluments are not adversely affected.

P. OTHER DIRECTORSHIPS DISCLOSURES

The Directors should promptly disclose their appointment/cessation from directorship of other companies.

Q. RELATED PARTY DISCLOSURES

The Directors and the Senior Management Personnel shall make disclosure to the Company with respect to any transaction with the Company in which such person is interested and in respect of which a conflict of interest can arise between the Company and the person concerned including the name of the related party and the nature of relationship.

Such disclosure shall be in accordance with the Companies Act, 2013 and the Indian Accounting Standard (IND AS) 24.

R. INTERNAL CONTROL SYSTEM

Directors and Senior Management Personnel should maintain and should Cause to maintain a proper and adequate system of internal controls for financial reporting.

S. CORPORATE GOVERNANCE

Directors and Senior Management Personnel should sincerely follow and should cause the Company to follow the philosophy of good corporate governance by possessing strong business fundamentals and delivering high performance through relentless focus on transparency, accountability, professionalization for enhancing shareholders' value and contributing to society at large.

T. FINANCIAL REPORTING AND RECORDS

- ✓ The Company shall prepare and maintain its financial statements fairly and accurately in accordance with the applicable laws and accounting standards.

- ✓ 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 Company's auditors and other authorized parties.
- ✓ Any willful material misrepresentation of and/or misinformation on the financial accounts and reports shall be regarded as a violation of the Code.

U. AFFIRMATION OF THE CODE AND REPORTING

- ✓ All Directors and Senior Management Personnel shall affirm compliance with the Code on an annual basis, within 15 days from the end of every financial year to the Compliance Officer.
- ✓ Any instance of violation or possible violation of this code by the concerned Director or Senior Management Personnel shall be immediately reported to the Board through the Compliance Officer.

V. AMENDMENT

The provisions of this Code can be amended/modified by the Board from time to time and all such amendments/modifications shall take effect from the date stated therein. All Directors and Senior Management Personnel shall be duly informed of such amendments and modifications.

W. WEBSITE

Pursuant to Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this code and any amendments thereto shall be posted on the website of the Company: www.pharmaids.com

