

MOREPEN LABORATORIES LIMITED

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CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

[Pursuant to Companies Act, 2013 and Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

INTRODUCTION:

This Code of Conduct (“Code”) shall be called “**The Code of Conduct for Board Members and Senior Management Personnel**” of **Morepen Laboratories Limited** (hereinafter referred to as “the Company”).

The Code lays down important corporate values that shape the Company’s value system and business practices and represents cherished values of the Company.

The Code also provides guidance to employees in recognizing and dealing with important ethical and legal issues and fosters a culture of honesty and accountability.

This Code has been adopted by the Board of Directors of Morepen Laboratories Limited in compliance with the requirements of Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 read with the rules made thereunder.

DEFINITIONS & INTERPRETATIONS:

- The term “Company” or “MLL” shall mean Morepen Laboratories Limited.
- The term “Board / Board of Directors” shall mean the collective body of the Directors of the Company.
- The term “Board Members” shall mean Directors on the Board of Directors of the Company.
- The term “Whole-time Director” shall mean Directors on the Board of Directors of the Company who are in whole-time employment of the Company.
- 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.
- The term “Independent Director” shall mean an Independent Director as defined in Section 2(47) and Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as revised from time to time.
- The term “Senior Management¹” shall mean the officers and personnel of the company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.
- The term “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.

¹Amended on February 13, 2023.

- The term “Conflict of Interest” means where the interests or benefits of one person or entity interferes with the interests or benefits of the Company.
- In this code words importing the masculine gender shall include feminine gender and words importing singular shall include the plural or vice versa.

APPLICABILITY:

The Code is applicable to the following persons:

- I. All the members of the Board, including the Independent Directors; and
- II. All the Senior Management Personnel² of the Company – Chief Financial Officer, Company Secretary, other members of the core management like Directors (*not being members of the Board*), employees in the level of Vice President and above, and all other employees who are acting as functional head, irrespective of their designation.

REQUIREMENTS:

Duties of Directors

The Director(s) of the Company:

- i) shall act in accordance with the articles of the Company, subject to the provisions of the Companies Act, 2013 as amended from time to time;
- ii) shall 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;
- iii) shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- iv) shall 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;
- v) shall 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;
- vi) shall not assign his office and any assignment so made shall be void.

Specific Duties of Independent Directors

The independent directors shall:

- i) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;

²Amended on February 13, 2023.

- ii) 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;
- iii) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- iv) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- v) strive to attend the general meetings of the Company;
- vi) 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;
- vii) keep themselves well informed about the Company and the external environment in which it operates;
- viii) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- ix) 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;
- x) ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- xi) report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- xii) acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- xiii) 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.

Other Requirements

Board Members and Senior Management Personnel shall act within the authority conferred upon them, keeping the best interests of the Company in view and observe the following:

- i) shall act with utmost care, skill and diligence in relation to all dealings for the Company;
- ii) shall act in utmost good faith and adopt highest standards of personal and professional integrity, fairness, honesty, probity and ethical conduct and fulfill the fiduciary obligations without allowing their independence of judgment to be subordinated or compromised;
- iii) 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 an Ordinary/Special Resolution in the General Meetings for related party transactions;

- iv) shall avoid having any personal and/or financial interest in any business dealings concerning the Company;
- v) 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;
- vi) 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;
- vii) shall not seek or accept, directly or indirectly any gift from anyone having business dealings with the Company, except for normal value, which are customarily given and are of commemorative nature for special events and should never be of a kind that could create an appearance of impropriety, inducement or in any manner influence a business decision;
- viii) 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 including all the stakeholders or any foreign country;

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;
- ix) shall not commit any offence involving moral turpitude;
- x) shall follow the Risk Management framework/policy established by the Company;
- xi) shall ensure workplace free of discrimination & harassment based on race, colour, religion, caste, age, gender, nationality, origin, disability, veteran status, or any other biases;
- xii) 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;
- xiii) shall be accountable to the stakeholders i.e. shareholders, debtors, creditors, contractors, suppliers, customers, Government etc. in discharge of the duties of the Company;
- xiv) shall not contribute (whether directly or indirectly) any funds, credit, property or services of the Company to any Political Parties;
- xv) 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;
- xvi) shall act in accordance with and keeping in mind the Vision, Mission and Values of the Company;
- xvii) shall promote alertness & awareness for safety and the protection of human life/property and environment;
- xviii) shall exercise their responsibilities in a bona fide manner in the interest of the Company and act objectively and constructively while exercising their duties;

- xix) 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;
- xx) 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;
- xxi) shall assist the Company in implementing the best corporate governance practices;
- xxii) 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;
- xxiii) shall immediately bring to the notice of the Board about any unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;

Honest & Ethical Conduct

All the persons to whom this code applies shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct while working for the Company as well representing the Company without allowing their independent judgment to be subordinated and fulfill the fiduciary obligations.

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.

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.

In the event of apprehending of such conflict of interest, the relevant facts shall be disclosed in writing explaining the circumstances that create or could create the conflicts of interest to:

- a) Board of Directors in case of Directors (whole-time & part-time) and
- b) Chairman & Managing Director in case of Senior Management Personnel for further directions in the matter.

Corporate Opportunities

All persons to whom this code applies shall not exploit for their own personal gain, opportunities that are discovered through Company's business, information or position, unless the opportunity is disclosed fully in writing to the Company's Board of Directors or Chairman & Managing Director as the case may be.

Secret Profit

Members of the Board of Directors and the senior management team shall not make any profit in the process of their dealings in the matter of the Company without knowledge of the Board.

Outside / Other Directorship

Unless specifically permitted by the Board in case of Board members and by the Chairman & Managing Director 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.

Senior Management Personnel shall obtain prior approval of the Chairman & Managing Director 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.

Prevention of Insider Trading

The Board Members and Senior Management Personnel shall comply with the Company's *Code of Conduct to Regulate, Monitor and Report Trading by Insiders*, in dealing with securities of the Company.

Corporate Disclosure Practices and External Communication

The Company's *Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information* regulates disclosure of "Unpublished Price Sensitive Information". The as the Company's Chief Investor Relations Officer is responsible for overseeing and coordinating disclosure of "Unpublished Price Sensitive Information" to stock exchanges, analysts, shareholders and media including drafting of the press release or the text of the information to be posted on the Company's web-site/released to the press with the approval of the Chairman & Managing Director. No person except the Chief Investor Relations Officer or those authorized by him, shall disclose any information relating to the Company's Securities to analysts'/research persons and institutional investors. The Board Members and Senior Management Personnel shall comply with the Code of Corporate Disclosure Practices.

Confidential and Proprietary Information

Any information concerning the Company's business, its customers, suppliers, etc, which is not in the public domain and to which the Board Members and Senior Management Personnel has access or possesses such information, must be considered confidential and held in confidence, unless authorized to do so and when disclosure is required as a matter of law. No Board Members and Senior Management Personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specifically authorized.

Compliance of the applicable Laws

The Board of Directors and the Senior Management Personnel shall comply with all the laws, rules and regulations, including those related to the business of the Company, as applicable and as may be prescribed by the statutory authorities from time to time.

Gifts

Any person to whom this code applies will not solicit any gifts from their business relationships. He shall reject unsolicited gifts that may be perceived as intended to influence any business decision. Any gift which is consistent with customary business practices, inexpensive gifts, corporate gifts, infrequent business meals, celebratory events and entertainment, provided that they are not excessive or create an appearance of impropriety, do not violate this policy. Acceptance of cash gift is strictly prohibited.

Respect for people

All the officers are expected to treat co-employees and business associates fairly and, irrespective of hierarchical level, with dignity and respect. Being treated fairly means that employees shall be judged on merits.

Senior Management Personnel must maintain an open line of communication and to listen to all employees.

Company Assets, Computer Network Use and Security

Any person to whom this code applies must make responsible use of Company assets in their personal possession such as telephones, computers and other hardware, software, Internet connection, networks and the information that runs on them in a responsible manner.

They must:

- Use telephone, computers and peripherals and internet responsibly and primarily for legitimate business purposes any personal usage should be reasonable and kept to a minimum.
- Protect the security of computer systems.
- Not engage in communications that might be considered offensive, derogatory, defamatory, harassing, obscene or otherwise vulgar.

- Not use Company communications systems to improperly disseminate copyrighted or licensed materials, or proprietary information.
- Not use Company communications systems to transmit chain letters, advertisements or solicitations (unless authorized).
- Not visit inappropriate Internet sites; and
- Always protect information used to access computers, networks or systems.

Company's electronic communications system and information are liable to be monitored for compliance with Company policy and applicable laws. Employees must note that they are not entitled to privacy privilege in respect of the same.

Waiver and Amendments of the Code

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 & Managing Director in case of Senior Management Personnel.

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

Clarifications regarding the Code

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

Placement of the Code on Website

Pursuant to the Regulation 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Code and any amendment thereto shall be hosted on the website of the Company.

Compliance with the Code

As a condition of employment / association with the Company, Employees are expected to comply with and strictly adhere to the standards of conduct contained in this Code and underlying policies and procedures. When in doubt, this Code casts the responsibility on the Employee to seek clarification and guidance as to the proper course of conduct from relevant authority.

Employees who are aware of any misconduct under this Code, illegal activity, fraud or abuse of Company assets must report such matters to the Managing Director. The employees reporting any misconduct shall be suitably protected and no unjust action will be taken against any such employee for making such a report.

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 as Appendix-II, indicating that they have received, read and understood, and agreed to comply with the code and send the same to the Company Secretary. New Persons joining the organization and to whom this code applies will sign such a deed at the time when their office begins.

Certifications

In terms of Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, persons to whom the Code is applicable shall affirm compliance with the Code on an annual basis after the close of every financial year. A Performa of Annual Compliance Report is annexed to this Code as Appendix-I. The Annual Compliance Report shall be forwarded to the Company Secretary of the Company.

The CEO / Managing Director will make a declaration in the annual report for each year that the above affirmations have been received from the Employees.

Non-Compliance

Suspected violations of this Code may be reported to the Chairman & Managing Director of the Company or the Chairman of the Audit Committee. All reported violations should be appropriately investigated.

A Director charged with a violation of this Code should not participate in a vote of a Committee or the Board concerning his/her alleged violation, but may be present at a meeting of the Board or of a Committee convened for that purpose.

An Independent Director shall be held liable, only in respect of such acts of omission or commission by a Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently with respect of the provisions contained in the Companies Act, 2013 read with the rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Penalty for Non-compliance

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.

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.

Appendix-I

ANNUAL COMPLIANCE REPORT

I _____ do hereby solemnly affirm, to the best of my knowledge and belief, that I have, in letter and in spirit, complied with the provisions of the '***Code of Conduct for Board Members and Senior Management Personnel***' during the financial year ending 31st March, _____.

Signature : _____

Name : _____

Designation : _____

Date : _____

Place : _____

Appendix-II

ACKNOWLEDGEMENT FORM

I _____ have received and read the Company's '*Code of Conduct for Board Members and Senior Management Personnel*' ("*Code*"). I have understood the provisions and policies contained in this Code and I agree to comply with this Code.

Signature : _____
Name : _____
Designation : _____
Date : _____
Place : _____