



CODE OF CONDUCT AND ETHICS FOR SENIOR MANAGEMENT AND THE BOARD
{IN PURSUANCE OF THE REGULATIONS 17 OF THE SEBI (LODR) REGULATIONS, 2015 }

The Bafna Pharmaceuticals Ltd truly believes in independence, responsibility, transparency, professionalism, accountability and code of ethics, which are the basic tenets of corporate governance. This code of business conduct and ethics helps to ensure compliance with legal requirements and standards of business conduct.

The board of directors has adopted a code of conduct and ethics for all board members and senior management personnel viz., all members of management one level below executive directors, including all functional heads.

Every board member and senior management personnel is expected to read and understand this Code and its application to the performance of his or her official duties, functions and responsibilities.

CODE OF CONDUCT FOR SENIOR MANAGEMENT PERSONNEL

- 1. The Senior Management personnel shall abide by the ethical business conduct, uphold the standard in day to day activities, comply with all applicable laws, rules and regulations.**
- 2. They are expected to follow highest standards of personal and professional integrity, honesty and ethical conduct while working in the Company's premises or outside or in social events**
- 3 .They should avoid any conflict of interest with the Company's business policies / regulations and not to take part in any activity that may enhance, support competitors position.**
- 4. They should devote their full attention to the business interest of the Company and shall protect the assets and properties of the Company and ensure efficient use for the business of the Company.**
- 5. They should obtain approval from the Company before accepting any Directorship from other Companies.**
- 6. Neither they neither give nor accept any improper / illegal and unauthorized gratification for any purpose whatsoever for the discharging their official duties.**
- 7. They should keep all the information available through employment in confidential manner and not to use them for personal gain.**
- 8. They shall conduct dealings if any in the securities of the Company in a valid trading window as per the pre clearance procedure**

CODE OF CONDUCT FOR BOARD OF DIRECTORS:

Directors shall adopt highest standards of personal and professional integrity and ethical conduct.

They shall act diligently, openly, honestly and in good faith.

They should attend and actively participate in regular and special meetings of Board and Committees on which they serve.

They have to maintain the confidentiality of price sensitive information and details about the company.

They should understand the Company's principal business plans, strategies and objectives, operational results, financial condition and relative market place position

They should declare / disclose any change in their employment, other board positions committee memberships immediately from the date of change

They shall disclose relationship with other business, charitable, conflicts of interest, which may interfere with their ability to perform their function as Director.

They shall disclose shareholding in the Company and the changes thereof immediately

They should devote their full attention to the business interest of the Company.

They should not to engage in any activity which is prejudicial to the interest of the Company.

They shall conduct dealings in the securities of the Company in a valid trading window as per the pre clearance procedure

They shall affirm compliance of the Code of Conduct on annual basis.

Further the Independent Directors are expected to adhere the Code of Conduct prescribed by Schedule IV to the Companies Act, 2013. They are as follows:

I. Guidelines of professional conduct:

An independent director shall:

- (1) uphold ethical standards of integrity and probity;**
- (2) act objectively and constructively while exercising his duties;**
- (3) exercise his responsibilities in a *bona fide* manner in the interest of the company;**
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;**
- (5) not allow any extraneous considerations that will vitiate his 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;**
- (6) not abuse his 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;**
- (7) refrain from any action that would lead to loss of his independence;**
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;**
- (9) assist the company in implementing the best corporate governance practices.**

II. Role and functions:

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;**
- (2) bring an objective view in the evaluation of the performance of board and management;**
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;**
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;**
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;**
- (6) balance the conflicting interest of the stakeholders;**
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;**
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.**

III. Duties :

The independent directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;**
- (2) 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;**
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;**
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;**
- (5) strive to attend the general meetings of the company;**
- (6) 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;**
- (7) keep themselves well informed about the company and the external environment in which it operates;**
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;**
- (9) 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;**
- (10) 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;**
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;**

(12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

(13) 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.