

**STELIS BIOPHARMA LIMITED**

**CODE OF CONDUCT AND ETHICS FOR  
BOARD OF DIRECTORS**

## **1. INTRODUCTION**

This Code of Conduct (the “Directors’ Code”) has been framed and adopted by Stelis Biopharma Limited (hereinafter referred to as “the Company”) to lay down guiding principles by which the Company expects its directors to conduct themselves while discharging their duties.

The Company also has a continued commitment to compliance with applicable laws and regulations and for operating in accordance with the highest standards of business conduct. In many instances, the Directors’ Code’s guidelines and standards go beyond the requirements of applicable law. This code lays down the values of the Company by which it professes to do its business. The code of conduct articulates to all the stakeholders of the Company, the standards of dealing they can expect from the Company and the Board of Directors.

## **2. GUIDELINES FOR CONDUCT**

It shall be the first and foremost duty of every Board Member to uphold the interests of the Company and its stakeholders and to endeavor to fulfil all the fiduciary obligations towards them.

The Directors shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties.

A Director should:

- a) use reasonable efforts to attend Board and committee meetings regularly;
- b) dedicate sufficient time, energy and attention to the Company to ensure diligent performance of his/her duties, including preparing for meetings and decision-making by reviewing in advance any materials distributed and making reasonable inquiries;
- c) be aware of and seek to fulfill his/ her duties and responsibilities as set forth in the Company’s Memorandum of Association, Articles of Association, other policies adopted by the Company ; and
- d) seek to comply with all applicable laws, regulations, confidentiality obligations and corporate policies.

## **3. OUTSIDE EMPLOYMENT**

Executive Directors are expected to devote their full time and attention to the business interests of the Company and are prohibited from engaging in any activity prejudicial to the interests of the Company.

However, Executive Directors may accept any other work or assignment (part-time or otherwise) within the Group Companies.

Any simultaneous employment with any other organization, including competitors of the

Company, or any engagement in any activity with competitors could be against the business interests of the Company. Such interactions shall be permitted only after first consulting with the Chairperson of the Board of the Company. Any outside activity must be strictly separated from the Company's employment and should not adversely affect the Executive Directors' job performance at the Company.

#### **4. CORPORATE BUSINESS OPPORTUNITIES**

Except as described elsewhere herein, a director may engage in business so long as he/she does not pre-empt or seize a corporate business opportunity.

A corporate business opportunity is:

- a) an opportunity in the Company's line of business or proposed expansion or diversification,
- b) which the Company is financially able to undertake and
- c) which may be of interest to the Company. A director who learns of such a corporate business opportunity and who wishes to participate in it should disclose the opportunity to the Board of Directors. If the Board of Directors determines that the Company does not have an actual or expected interest in the opportunity, then, and only then, the director may participate in it, provided that the director has not wrongfully utilized the Company's resources in order to acquire the opportunity.

#### **5. OTHER DIRECTORSHIPS**

Directors may serve on the Board of another entity provided that such entity is not directly or indirectly a competitor of the Company. Directors shall intimate the Board Members about the change in their concern or interest at the first Board meeting held after such change in their directorship.

Further, if any Director wishes to take up directorship on the Board of other companies which are into similar business with the Company, prior consent of the Board of Directors shall be obtained.

#### **6. CONFLICTS OF INTEREST**

Directors are expected to dedicate their best efforts to advancing the Company's interests and to make decisions that affect the Company based on the Company's best interests and independent of outside influences.

Directors are prohibited from engaging in any activity prejudicial to the interests of the Company.

Following are some common examples that illustrate actual or potential conflicts of interest:

- a) Owning an interest in a company that competes with or does business with the Company;
- b) Participating in a joint venture, partnership or other business arrangement with the

Company; and

- c) Employment with or serving as a director of a competitor, customer or supplier of the Company.

A Director who has an actual or potential conflict of interest, including any of the situations described above, must promptly disclose to the Board:

- a) the existence and nature of the actual or potential conflict of interest; and
- b) all facts known to him/her regarding the transaction that may be material to a judgment about whether or not to proceed with the transaction. The Director may proceed with the transaction only after receiving express approval from the Board.

## **7. LOANS**

A Director shall not directly or indirectly obtain any loan from the Company

## **8. GIFTS AND ENTERTAINMENT**

When acting on behalf of the Company, Directors should never accept gifts, entertainment or any other business courtesies from anyone doing business with the Company (including but not limited to suppliers, service providers, contractors, consultants, channel partners, statutory auditors, customers and competitors).

Gifts are permissible if they are customary and commonly-accepted business courtesies; not excessive in value; and given and accepted without an express or implied understanding that the Director is in any way obligated by acceptance of the gift. Gifts with a value of over Rs. 10,000 or equivalent in foreign currency should only be accepted with the approval of the Audit Committee. Meals in the ordinary course of business and infrequent meals and entertainment, such as cultural or sporting events, that are attended by both the Director and the offeror are not considered gifts. Gifts of cash or cash equivalents (including gift certificates, securities, below-market loans, etc.) in any amount are prohibited.

## **9. COMPANY PROPERTY**

Directors have a responsibility to safeguard and properly use Company assets and resources, as well as assets of other organizations that have been entrusted to the Company. Except as specifically authorized, Company assets, including Company equipment, materials, resources and proprietary information, must be used only for Company business purposes.

## **10. CONFIDENTIAL INFORMATION**

Directors shall maintain the confidentiality of information entrusted or shared with them by the Company. The Company's confidential and proprietary information shall not be disclosed or used for the personal gain or advantage of the Director or anyone other than for the benefit of the Company.

## **11. RELATED-PARTY DISCLOSURES**

The Director, before conducting business of the Company with a related party or a relative, or a business in which a relative is associated in any significant role, shall promptly disclose his/her interest to the Board of Directors.

For the sake of clarity, the term “related party” and “relative” shall have the same meanings as defined respectively under Sections 2(76) and 2(77) of the Companies Act, 2013.

## **12. FAIR DEALING**

Directors should endeavor to deal fairly with the Company’s customers, suppliers, competitors and employees and should never take unfair advantage of others through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

## **13. COMPLIANCE WITH LAWS AND REGULATIONS**

The Company is committed to compliance with those acts, rules and regulations that govern the conduct of its business.

### **a) Securities Laws**

It is the Company policy to make full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws and regulations in all reports and documents that the Company files with, or submits to, the Registrar of Companies and in all other public communications made by the Company. Directors must abide by applicable Company policies and procedures designed to promote compliance with this policy.

### **b) Competition Laws**

While the Company competes vigorously and creatively in its business activities, its efforts in the marketplace must be conducted in accordance with all applicable Competition Act and Regulations. Directors should not engage in any activity in violation of applicable Competition Act.

### **c) Anti-Corruption Laws**

The Company conducts its business activities in compliance with the Prevention of Corruption Act, 1988 of India and applicable anti-corruption laws of all other countries in which the Company conducts businesses. Under the Prevention of Corruption Act, it is an offence to offer to a ‘public servant’ a gratification or a valuable thing as a motive or reward for doing or forbearing to do any official act. Directors should not, directly or indirectly, engage in any activity that could be construed as the Company being in breach of the Prevention of Corruption Act or any other applicable anti-corruption law.

### **d) Interacting with Government**

The various branches and levels of government have differing laws that restrict gifts, including meals, entertainment, transportation and lodging that may be provided to a public servant. Directors should not offer to or pay for meals, travel, lodging or any other expenses for public servants in connection with the Company or Company's business without first consulting with the Managing Director/ CEO of the Company.

#### **e) Political Contributions**

The Company will not make political contributions from corporate resources to any political party, candidate or holder of public office, or political committee that is not in compliance with Section 182 of the Companies Act, 2013. This includes monetary contributions as well as in-kind contributions (such as the use of corporate property, personnel services or facilities).

Directors may not cause the Company to make contribution to any political party or for any political contribution without the prior approval of the Board. Directors must comply with applicable laws and Company policy with respect to causing the Company to make political contributions. Directors may not make personal political contributions on behalf of, or in the name of, the Company. Directors will not be reimbursed or otherwise compensated for any personal political contribution.

### **14. DUTIES OF DIRECTORS**

In compliance with Section 166 of the Companies Act, 2013, the duties of Directors of the Company are:

- a) A Director shall act in accordance with the Articles of the Company.
- b) A Director 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.
- c) A Director shall exercise his/her duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- d) A Director shall not involve in a situation in which he/she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- e) Director 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.
- f) A Director shall not assign his office and any assignment so done shall be void.

### **15. DUTIES OF INDEPENDENT DIRECTORS**

In compliance with Section 149(8) and Schedule IV of the Companies Act, 2013, independent Directors shall:

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

- b) 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;
- c) Strive to attend all meetings of the Board of Directors and of the Board committees of which he/she is a member;
- d) Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) Strive to attend the general meetings of the company;
- f) 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;
- g) Keep themselves well informed about the Company and the external environment in which it operates;
- h) Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i) 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;
- j) 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;
- k) Report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- l) Acting within his/her authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- m) Not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price-sensitive information, unless the Board expressly approves such disclosure or is required by law.

## **16. NON-COMPLIANCE**

In case of any violation/ suspected violation of this Code, any stakeholder of the Company may raise a complaint under the Stelis' Whistle-blower Policy.

Upon receipt of such complaint, the same shall be investigated as detailed in the Stelis' Whistle-blower Policy.

Directors who violate this Code may be subject to sanctions, up to and including a request to

resign as Director or the Board's seeking removal of the Director, where permitted by applicable law.

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

Any waiver of this Code must be approved by the Board of Directors and publicly disclosed as required by law or regulation.

**17. AMENDMENTS**

The Board may amend the provisions of this Code from time to time. And unless otherwise specified, such amendments shall be effective from the date of the Board meeting at which such amendments are approved.

**18. NO RIGHTS CREATED**

This Code sets forth guidelines for conduct for the Board of Directors. It is not intended to and does not create any rights in any director, officer, employee, client, supplier, competitor, shareholder or any other person or entity.

**19. ACKNOWLEDGEMENT AND ANNUAL COMPLIANCE AFFIRMATION**

All Directors shall affirm compliance on an annual basis in the format prescribed in **Annexure 1** of the Code.

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**Version Control**

Title	Code of Conduct and Ethics for Board of Directors
Effective Date	
Authorised by	Board of Directors vide resolution dated February 16, 2022
Version Number/ date	

**ANNUAL COMPLIANCE FORMAT**

To  
**Stelis Biopharma Limited**  
Corporate Office:  
Star 1, Opp IIM Bangalore,  
Bilekahalli, Bannerghatta Road,  
Bangalore – 560 076.

Dear Sirs,

The undersigned, being a Director of Stelis Biopharma Limited do hereby affirm my compliance with the Code of Conduct for Board of Directors of the Company as laid down by the Company for the financial year ended \_\_\_\_\_.

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

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

Place :

Date :