



## **CODE OF CONDUCT FOR DIRECTORS**



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Pursuant to Regulation 17(5)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations (Listing Regulations), 2015, the Board of Directors (the Board) of Lupin Limited (the Company) adopted the following Code of Conduct and Ethics (the Code) for Directors.

This Code is intended to focus on areas of ethical risk; provide guidance and help to Directors to recognize and deal with ethical issues; provide mechanisms to report unethical conduct; and help foster a culture of honesty, accountability and professionalism.

It is expected that each Director would comply with the letter and spirit of this Code.

No Code or policy can anticipate every situation that may arise or replace the thoughtful behaviour of an ethical person. Directors are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the Chairman of the Board/Chief Executive Officer/Managing Director.

### **Code of Conduct**

#### **1. DUTIES**

The 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 and Committees of which he/she is 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 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 Committees;
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/her authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
13. shall enter into any non-cash transactions with the Company only after complying with the provisions of Section 192 of the Companies Act, 2013 and Rules made thereunder;
14. shall not have any forward dealings in the Securities of the Company as required by Section 194 of the Companies Act, 2013 and Rules made thereunder; and

## **2. CONFLICT OF INTEREST**

Directors should avoid any conflicts of interest between 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 Chairman of the Board/Chief Executive Officer/Managing Director. Notice of disclosure of interest, made by a Director under Section 184(1) of the Companies Act, 2013 read with Rule 9(1) of the Companies (Meetings of Board and its Powers) Rules, 2014, shall be treated as adequate compliance with this Code. A Director shall inform the Company punctually about emergence of any situation that may disqualify him/her from being a Director.

A Conflict of interest can occur when: -

- Personal interest of a Director is adverse to - or may appear to be adverse to the interests of the Company as a whole or if not adverse, the magnitude of own interest is grossly at variance with that of the Company; and
- A Director or member of his/her immediate family as defined by the Prevention of Insider Trading Regulation of the Company receives improper personal benefits as a result of his/her position as a Director of the Company or as his/her relative.

Some of the more common conflicts, which Directors should avoid, are listed below: -

### **a) Relationship of Company with third parties**

A Director must not receive a personal benefit from a person or firm, which is seeking to do business or to retain business with the Company. A Director shall excuse himself/herself from any decision involving another firm or company with which he/she is affiliated.

### **b) Compensation from non-Company sources**

A Director will not accept compensation (in any form) for services performed for the Company from any source other than the Company and will not accept any offer, payment or anything of value from customers, vendors, service providers, consultants, etc. Any exception, to address a case where such compensation is not to be perceived to influence business decision, will be made only by the Chairman of the Board/Chief Executive Officer/Managing Director;

### **c) Gifts**

A Director will not offer, give or receive gifts from/to persons or entities that deal with the Company in those cases where any such gift is being made in order to influence the actions or where acceptance of the gifts could create the appearance of a conflict of interest. Any exception will be made only by the Chairman of the Board/Chief Executive Officer/Managing Director; and

#### **d) Personal use of Company assets**

A Director will not use Company assets or information for personal use unless approved by the Chairman of the Board/Chief Executive Officer/Managing Director or as part of a compensation or expense reimbursement program available to Directors. A Director should not charge personal expenses to the Company under any circumstances.

A Director should not hold any office or place of profit in the Company by himself or by his/her relatives without full disclosure of information in connection therewith.

### **2) CORPORATE OPPORTUNITIES**

A Director is prohibited from: -

- a) Taking for himself/herself or their companies, opportunities that are discovered through the use of Company property/information or their position as a Director; and
- b) Competing with the Company for business opportunities;

### **3) BRIBERY AND CORRUPTION**

A Director will not resort to bribery or corruption in conducting the Company's business. A Director will not offer or provide either directly or indirectly any undue pecuniary or other advantages for the purpose of obtaining, retaining, directing or securing any business advantage for the Company.

### **4) INSIDER TRADING**

All Directors shall comply with the Prevention of Insider Trading Regulations as laid down by SEBI and the Company.

### **5) USE AND PROTECTION OF ASSETS AND INFORMATION**

A Director entrusted with property belonging to the Company is responsible for the careful use, protection, expenditure and administration of such assets. He must pay particular attention to Information Technology aspects such as data protection and data security as well as intellectual property aspects. Directors shall also encourage careful use of the Company's assets amongst employees.

### **6) USE AND PROTECTION OF THE RIGHTS**

A Director must ensure that the rights of the Company are properly protected and enforced.

### **7) CONFIDENTIALITY**

A Director must maintain the confidentiality of information entrusted to him/her by the Company and any other confidential information about the Company that comes to him/her, from whatever source, in their capacity as a Director, except when disclosure is authorised or legally mandated.

### **8) COMPLIANCE WITH LAWS, RULES AND REGULATIONS, ENCOURAGING FAIR DEALING AND PROFESSIONALISM**

- a) A Director must comply, and oversee compliance by employees, officers and other Directors, with laws, rules and regulations applicable to the Company, including insider trading laws;
- b) A Director should take reasonable efforts to keep themselves abreast of the business affairs of the Company; it's compliance status with relevant laws, rules and regulations and should exercise independent judgement on issues of strategy, performance, policy matters, etc.;

- c) A Director must deal fairly, and must oversee fair dealing by employees and officers, with the Company's customers, suppliers, competitors and employees and should encourage professionalism, protect integrity and honesty;
- d) A Director must take all necessary steps to protect the interests of shareholders, including the minority and small shareholders;
- e) A Director should take reasonable steps to ensure that product quality is maintained and process quality parameters are properly adhered to by concerned officials of the Company; and
- f) A Director should take all reasonable steps to ensure that necessary disclosures are being regularly made as part of financial reporting.

**9) ENCOURAGING ETHICS AND REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOUR**

A Director should promote ethical behaviour and take steps to ensure that the Company: -

- a) Encourages employees to talk to Supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation;
- b) Encourages employees to report violations of laws, rules, regulations or the Company's Code of Conduct to appropriate personnel; and
- c) Informs employees that the Company will not allow retaliation for reports made in good faith.

**10) COMPLIANCE STANDARDS**

A Director should communicate any suspected violations of this Code promptly to the Chairman of the Board or Managing Director. Violations will be investigated by the Board or by persons designated by the Board, and appropriate action will be taken in the event of any violations of the Code.

**11) WAIVER OF CODE OF BUSINESS CONDUCT AND ETHICS**

Any waiver of this Code may be made only by the Board of Directors.

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