



PANACEA BIOTEC LIMITED
ANTI-CORRUPTION COMPLIANCE POLICY

Approved by: Board of Directors
Date of approval: April 08, 2019

Effective Date: April 08, 2019

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**PANACEA BIOTEC LIMITED
ANTI-CORRUPTION COMPLIANCE POLICY**

(As approved by the Board of Directors of the Company on April 08, 2019)

I. Applicability and Effective Date

This Policy is being adopted by the Company and shall come in to force from April 08, 2019 and shall apply to all Company Personnel (as defined below).

II. Introduction

Panacea Biotec Limited (the “**Company**”) is committed to conduct all aspects of its business in keeping with the highest legal and ethical standards and expects all employees and other persons acting on its behalf to uphold this commitment. In accordance with this commitment, the Company has adopted this Anti-Corruption Compliance Policy (the “**Policy**”), which is applicable to all directors, officers, employees, agents, representatives and other associated persons of the Company (collectively “**Company Personnel**”).

In brief, the Company will not tolerate bribery, kickbacks, or corruption of any kind, directly or through third parties, whether or not explicitly prohibited by this Policy or by law. The Company Personnel are not permitted to give or offer anything of value (including gifts, hospitality, entertainment, conference sponsorships, or employment) to anyone for the purpose of improperly obtaining or retaining a business advantage. Similarly, a Company Personnel may not solicit or accept such improper payments.

This Policy and the internal controls herein have been designed to prevent bribery from occurring, avoid the appearance of wrongdoing and enable Company to respond promptly and effectively to any inquiries about its conduct. The Company Personnel who violate this Policy may be subject to disciplinary action, up to and including termination. The pages that follow provide a general guide to anti-corruption compliance but do not address every potential scenario that may implicate issues bearing on compliance with this Policy. Therefore, any Company Personnel who have any questions concerning the requirements of this Policy should consult with Mr. Vinod Goel, Group CFO and Head Legal & Company Secretary (“**Compliance Officer**”).

III. Our Policy

A. Company Personnel shall not be permitted to pay or receive bribes.

The Company Personnel must conduct their activities in full compliance with this Policy and any applicable anti-corruption laws, including the Indian Prevention of Corruption Act 1988 as amended, U.S. Foreign Corrupt Practices Act of 1977 as amended, the UK Bribery Act, 2010, the applicable financial recordkeeping and reporting requirements of the U.S. Currency and Foreign Transaction Reporting Act of 1970, as amended, the U.S. Money Laundering Control Act of 1986, as amended, and any anti-corruption laws in effect in the jurisdictions where the Company conducts business.

Under this Policy, the Company Personnel are not permitted to give or offer anything of value, directly or indirectly, to any Government Official¹ or any commercial party for the purpose of improperly obtaining or retaining a business advantage. “Anything of value” should be broadly interpreted to include cash, gifts to family members, forgiveness of a debt, loans, personal favors, entertainment, meals and travel, conference sponsorships, political and charitable contributions, employment and internship opportunities, business opportunities and medical care, among other items. *Simply put, bribes, kickbacks or similar payments are never permitted, whether made to a Government Official or to customers, investors, clients, third parties or other private parties. Similarly, the Company Personnel may not solicit or accept such payments.*

If confronted with a request or demand for an improper payment or other violation of this Policy, the request or demand must be immediately rejected and reported to the Compliance Officer. Similarly, if any employee or agent knows or believes that an improper payment has been or will be made, the employee or agent must also report such payment to the Compliance Officer. The Company’s policy is that no adverse employment action will be taken against any personnel in retaliation for, honestly and in good faith, reporting a violation or suspected violation of anti-corruption laws or this Policy.

¹ The term “Government Official” includes all officers or employees of a government department, agency or instrumentality; permitting agencies; customs officials; candidates for political office; and officials of public international organizations (e.g., the Red Cross). This term also includes government-owned or controlled commercial enterprises such as state-owned or controlled universities, airlines, oil companies, or other vendors. Further medical and scientific personnel (e.g., doctors) employed by government-owned hospitals, clinics, universities, or other healthcare institutions will qualify as “Government Officials.”

B. Gifts, Meals, Entertainment and Employment

This Policy sets forth various rules relating to gifts, entertainment, travel, meals, lodging and employment. All such expenditures must be recorded accurately in the books and records of the Company, in accordance with Section V below.

1. Gifts

As a general matter, the Company prohibits the provision and receipt of gifts. However, the polite and customary conduct of business may require that the Company Personnel to give modest gifts to counterparts as a token or courtesy (*e.g.*, sweets during Diwali or Eid).

Therefore, the Company Personnel may provide token gifts if 1) the gift does not involve cash or cash equivalent gifts (*e.g.*, gift cards, store cards or gambling chips); 2) the gift is permitted under both local law and the guidelines of the recipient's employer; 3) the gift is presented openly with complete transparency; 4) the gift is properly recorded in the Company's books and records; and 5) the gift is provided as a token of esteem, courtesy or in return for hospitality and should comport with local custom. Gifts in excess of INR 7,000 require pre-approval from Compliance Officer. All gifts to Government Officials, regardless of value, require pre-approval from the Compliance Officer.

The Company Personnel may receive token gifts if 1) the gift does not involve cash or cash equivalent gifts (*e.g.*, gift cards, store cards or gambling chips); 2) the gift is permitted under both local law and this Policy; 3) the gift is presented openly with complete transparency; 4) the gift is provided as a token of esteem, courtesy or in return for hospitality and comports with local custom; and 5) the recipient discloses the gift to the Compliance Officer and the Compliance Officer records the gift. To the extent that the gift is deemed inappropriate by the Compliance Officer, it must be returned.

2. Entertainment and Hospitality

Entertainment and hospitality involving government officials, customers, and suppliers and other third parties may be appropriate in certain circumstances. The Company permits entertainment if the applicable expenses (1) are related to the

promotion of the Company's products or services or to the execution or performance of its contract with a customer; (2) are permitted under local law; (3) are customary under local business practices; (4) are reasonable under the circumstances and not lavish or extravagant; and (5) avoid the appearance of impropriety.

When possible, business entertainment payments should be made directly by the Company to the provider of the service, and should not be paid directly to a Government Official or other party as a reimbursement.

All business entertainment expenses, regardless of amount or attendees, should be properly documented in an expense report. Such expense report shall enumerate the attendees, including the name of each attendee and his or her title and place of employment, and provide a detailed business purpose for the entertainment.

Please note that in addition to traditional gifts, both hospitality and entertainment that are provided to business relationships where the Company professionals are not in attendance, and instances where the Company pays for travel related expenses for a Government Official, shall be considered gifts, and subject to the rules and requirements for gifts specified in this Policy.

3. Travel and Lodging

Reasonable and bona fide travel expenditures paid on behalf of Government Officials, customers, suppliers or other third parties may be permissible in certain circumstances, if permissible under local laws and regulations and applicable industry codes. Permissible payments may cover the costs of travel for an official or customer to visit the Company's offices and discuss the Company's qualifications for projects within the official's responsibility or travel in connection with a project status review. Travel expenses shall not be extravagant or lavish, and may include (1) airfare; (2) lodging cost; and (3) ground transportation costs during the trip. Payment of cash per diems, expenses unrelated to legitimate business activities, and expenses that benefit a friend or family member of a Government Official are prohibited.

Direct reimbursements to any individual should also be avoided. Rather, reimbursements should be made to the Government Entity² or business entity that employs the expense recipient. Payments directly to the expense recipient (of a per diem allowance, expense reimbursement, or for any other purpose) require specific written approval of the Compliance Officer in all cases.

4. Employment/Internships

On occasion, Government Officials or the Company's business partners may request that the Company provide internships or employment to certain individuals. Offering internships or employment to Government Officials or the Company's business partners may be viewed as providing an item of value.

This Policy sets forth guidance for handling such requests from Government Officials or the Company's business partners. If a candidate is interviewed / appointed for an internship or employment within the ordinary course of filling a position, the Compliance Officer must be notified of the candidate's relationship to a Government Official or the Company's business partner. If a candidate related to a Government Official or the Company's business partner is interviewed outside of the ordinary course of filling a position, any internship or employment offer must be pre-approved by the Compliance Officer. Any candidate hired must have the appropriate skill set and competencies for the position.

C. Political Contributions and Charitable Donations

The Company Personnel may not make political or charitable donations, whether in their own name or in the name of the Company, to obtain or retain business or to gain an improper business advantage. Any political or charitable contributions by the Company must be permitted under the law, permissible pursuant to the terms of this Policy, made to a bona fide organization, and (in the case of political contributions or charitable contributions connected to any Government Official or Government Entity) made with the prior approval of the Compliance Officer. In certain instances where there is heightened risk of corruption, the Compliance Officer may require diligence to be conducted. The Compliance Officer must be notified if a Government Official solicits a political or charitable

² "Government Entity" means any nation or government or any province, state or any other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, any court, tribunal or arbitrator and any securities exchange or body or authority regulating such securities exchange.

contribution in connection with any government action related to the Company or its affiliates. Individual employees or agents may not make political contributions on behalf of the Company or its affiliates.

IV. Relationships with Third Parties

Anti-corruption laws prohibit indirect payments made through a third party, including giving anything of value to a third party while knowing that value will be given to a Government Official or commercial entity for an improper purpose. Third parties can include, but are not limited to, consultants, suppliers, vendors, agents, or any other individual or entity working on behalf of the Company. The Company Personnel should avoid situations involving third parties that might lead to a violation of this Policy.

All Company employees, and particularly those who engage and contract with third parties, including healthcare professionals, are responsible for taking reasonable precautions to ensure that the third parties conduct business ethically and comply with this Policy. Such precautions may include conducting a risk-based due diligence review of a third party, inserting appropriate anti-corruption compliance provisions in the third party's written contract (to the extent practicable), requiring the third party to certify that it has not violated and will not violate this Policy and any applicable anti-corruption laws during the course of its business with the Company, and monitoring the reasonableness and legitimacy of the services provided by and the compensation paid to the third party during the engagement. The Company Personnel should pay particular attention and closely monitor high-risk third parties whose engagement may involve interactions with Government Officials, including for purposes of obtaining permits, clearances, authorizations, or similar approvals or review by a governmental authority or agency. Any doubts regarding the scope of appropriate due diligence efforts in this regard should be resolved by contacting the Compliance Officer.

V. Recordkeeping and Internal Controls

This Policy requires that all expenditures made by the Company are accurately reflected in the Company's financial records and that all payments made with Company funds, or on behalf of the Company, have been properly authorized. The Company Personnel must follow all applicable standards, principles, laws and practices for accounting and financial reporting. The Company Personnel must be timely and complete when preparing all reports and records required by management. In particular, the Company Personnel should ensure that no part of any payment is to be made for any purpose other than that to be fully and accurately described in the Company's books and records. The Company Personnel should use best efforts to ensure that all transactions, dispositions, and

payments involving Company funds or assets are properly and accurately recorded in the Company's financial records. No undisclosed or unrecorded accounts are to be established for any purpose. False or artificial entries are not to be made in the Company's books and records for any reason. Finally, personal funds must not be used to accomplish what is otherwise prohibited by this Policy.

The Compliance Officer is primarily responsible for the oversight and enforcement of this Policy. The Company will conduct periodic audits of its books and records to monitor compliance with this Policy.

VI. Training

As part of the Company's ongoing commitment to anti-corruption compliance, all employees must receive and review a copy of this Policy. All such employees must then certify in writing that they (1) have reviewed the Policy; (2) agree to abide by the Policy; and (3) agree to report any potential violations of the Policy.

In addition, the Company will offer regular anti-corruption compliance training programs, at least annually, to educate employees about the requirements and obligations of anti-corruption laws and this Policy. All employees of the Company must participate in such training and the Compliance Officer will retain attendance records establishing compliance with this requirement.

VII. Reporting Requirements and Whistleblower Protection

The Company takes its commitment to anti-corruption compliance very seriously and expects all Company Personnel to share that commitment. The Company therefore expects and requires that any Company Personnel who have knowledge of, or reason to suspect, any violation of this Policy contact the Compliance Officer immediately. Such reports may be made anonymously. If any Company Personnel fails to report known or suspected violations, then the relevant Company Personnel may be subject to disciplinary action, up to and including termination.

It is the Company's policy that, if the report of known or suspected violations is made honestly and in good faith, no adverse employment-related action will be taken against any Company Personnel in retaliation for reporting a violation or suspected violation of anti-corruption laws or this Policy.

All questions regarding this Policy should be directed to the Compliance Officer.

VIII. Use of Personal Funds

Under no circumstances are the Company Personnel allowed to use personal funds or assets for business expenses to circumvent this Policy.

IX. Confirmation

This Policy has been uploaded on the Company's intranet and internal data site. Every employee is free to access and download a copy of the Policy at any time by simply logging on to the Company intranet / internal data site. A copy of the Policy is also available with the Compliance Officer. All employees would be deemed to have fully read and understood their obligation(s) under the Policy and would be under an unconditional obligation to abide by the same. They can contact the Compliance Officer(s) for any clarification/ assistance.

For and on behalf of Board

Sd/-

**Mr. Soshil Kumar Jain
Chairman**

Place: New Delhi

Date: 08.04.2019

EMPLOYEE ANTI-CORRUPTION POLICY CERTIFICATIONS

This is to acknowledge that I have received, read and fully understood the Company's Anti-Corruption Compliance Policy (the "**Policy**"). I agree to comply with all the rules contained therein. I agree to report any potential violations to the Compliance Officer under the Policy. I will participate in the Company's anti-corruption training on a periodic basis. I understand that failure to comply with the Policy, Indian law, and all applicable anti-corruption laws in countries where the Company does business may result in immediate termination and prosecution, with penalties including fines and/or imprisonment. Should I have any questions regarding the Policy or find any deviations or violations, I will contact the Compliance Officer under the Policy.

Signature: _____

Name (print): _____

Company: _____

Department: _____

Date: _____

(The signed receipt must be returned to the HR Department and filed in the employee's personnel file.)