

ADVANCED ENZYME TECHNOLOGIES LIMITED

CODE OF CONDUCT AND ETHICS

[In Supersession of the existing Code of Conduct]

Preamble:

Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) stipulates that the Board of Directors of every listed company shall lay down a code of conduct for all Board members and Senior Management personnel of the Company. In view of this the Code of Conduct was adopted by the Board of Directors in its meeting held on December 28, 2015.

This Code of Conduct & Ethics (herein referred to as “Code of Conduct & Ethics” / “Code”) shall supersede the Code of Conduct adopted by the Board of Directors of the Company on December 28, 2015. This Code is applicable to the Board of Directors, Senior Management Personnel & Employees (all capitalized terms are defined below) of the Company. The Company shall use its best endeavors to influence compliance of the same among all Associates of the Company. The members of the Board of Directors and the Senior Management Personnel of the Company are additionally required to affirm annual compliance of this Code, as per Annexure I to this Code.

Definitions:

For the purpose of this Code of Conduct & Ethics, the following terms will have the meaning assigned to it as hereunder, unless the context otherwise requires:

“Associate” shall mean an individual or entity who is associated with the Company as trainee, intern, apprentice, temporary staff, Contractors, Service Providers and Channel Partners (Dealers / Distributors) of the Company.

“Board” shall mean the Board of Directors of the Company.

“Board member” shall mean the Director who is part or member of the Board of Directors of the Company

“Employee” shall mean an individual who is permanent employee on the payroll of the Company, whether part time or full time basis.

“Senior Management” shall mean personnel of the Company who are members of its core management team excluding the Board of Directors. Normally, this would comprise of all members of management one level below the executive directors, including all functional heads.

Any capitalized term(s) mentioned in this Code and not defined (if any) shall have the meaning assigned to it under the Companies Act, 2013 or SEBI Listing Regulations.

Applicability:

All Board members, Senior Management Personnel, Employees and Associates are expected to comply with the Code in letter and spirit.

Subject to the foregoing and other provisions of the Code, the Independent / Nonexecutive Directors of the Company shall not be precluded from taking up outside assignments / directorships in other companies.

This Code is effective from February 06, 2018.

Objective:

With a view to maintain high standards of governance, to induce and recognize the virtues of honesty and accountability and to serve as a guideline for addressing situations involving ethical issues in all spheres of activities of the organization, the following rules/code of conduct is required to be observed.

The Company appoints the Company Secretary as the Compliance Officer for the purposes of this Code, and the Compliance Officer will be available to the Board members/Senior Management Personnel/Employees/ Associates to answer queries / provide clarifications and to help them comply with the Code.

1] Accountability:

Each Board member, Senior Management Personnel, Employee and Associate shall discharge his/her/its duties / provide the services (as the case may be) with integrity and in the best interests of the Company and its stakeholders. They are expected to use best endeavours and organize the resources for advancing the Company's objectives. They shall (i) act ethically, honestly, diligently, responsibly, with due care, competence and diligence and without allowing their independent judgment to be subordinated; (ii) act in good faith to protect the Company's properties, brand equity and image; (iii) create and maintain a culture of high ethical and professional standards.

2] Conflict of Interest:

The Board members, Senior Management Personnel and Employees shall not engage in any business, relationship or activity, which may be in conflict with the interests of the Company. An Independent / Non- Executive Director shall have the full liberty to peruse his/ her independent professional / business/ employment activities and / or to assume office(s) of director/ trustee.

Conflicts can arise in many situations. It is not possible to cover every possible conflict situation and at times, it will not be easy to distinguish between proper and improper activity. Set forth are some of the common circumstances that may lead to a conflict of interest, actual or potential:

a) Not to engage in any activity/employment that interferes with the performance or responsibility to the Company or is otherwise in conflict with or prejudicial to the Company.

b) Refrain from investments (either directly or through family members) in such companies/ entities whereby their responsibility to the Company is compromised.

c) Avoid conducting Company business with a relative or with a firm/company in which a relative/related party is associated in any significant role.

If the aforesaid related party transaction is unavoidable, it must be fully disclosed to the Board of the Company, as per the provisions of the applicable laws.

Subject to the provisions of the applicable laws, transactions/ dealing done in ordinary course of business and on arm's length basis shall not be considered to be conflict of interest.

3] Compliance:

All laws, rules and regulations as applicable to the Company and policies of the Company, to the extent applicable, shall be adhered to by the Board members, Senior Management Personnel, Employees and Associates of the Company. The Board members, Senior Management Personnel, Employees and Associates shall not engage in any abusive, corrupt or anti-competition business practices as prohibited under the laws applicable to the Company.

4] Other Directorships:

The Board members must disclose their Directorship, Committee membership and substantial shareholding in other companies to the Board on an ongoing basis. For the purpose of this Code, substantial shareholding shall mean 2% or more of the paid up share capital of the other company or such other limit as may be prescribed from time to time under the provisions of the Companies Act, 2013, rules made thereunder and/or SEBI Listing Regulations.

5] Confidentiality of Information:

Any information concerning the Company's business, operations, strategy, performance, its customers, suppliers, etc., which is not in the public domain and to which the Board members / Senior Management Personnel / Employees / Associates have access or possesses such information must be considered confidential and held in confidence, unless authorized to do so and when disclosure is required under any law. No Board member / Senior Management Personnel / Employee / Associate shall provide any information either formally or informally, to the press or any other publicity media, unless expressly authorized in advanced by the Company.

Confidential information includes (but not limited to):

- Information not yet released to the public
- Unpublished company strategy / price sensitive information
- Current or future R&D plans, technical breakthroughs and/or inventions
- Investments, planned mergers or acquisitions
- Information received from customers or partners
- Unpublished financial data either actual or forecasted
- Employee related information

6] Insider Trading:

The Board members / Senior Management Personnel / Employees / Associates shall not derive benefit or assist others to derive benefit, directly or indirectly based on unpublished price sensitive information (defined in SEBI (Prohibition of Insider Trading) Regulations, 2015) about the Company and thereby constituting insider information. All Board Members, Senior Management Personnel, Employees, Associates (to the extent applicable in case of Employees / Associates) shall comply with SEBI (Prohibition of Insider Trading) Regulations, 2015 and Insider Trading Code of the Company [both as amended from time to time]. The Insider Trading Code of the Company i.e. Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders is available on the Company's website, www.advancedenzymes.com/investors-codes-policies.aspx.

7] Equity:

All attempts should be made to maintain equity and fair justice while dealing on behalf of the Company. The Board members, Senior Management Personnel, Employees and Associates shall be committed to provide a work environment free from unlawful discrimination, harassment and intimidations of any nature. Any kind of harassment and discrimination based on gender, religion, age, sex, national origin and other such characteristics shall be strictly prohibited. They shall strive for maintaining a safe workplace by following safety and health rules and practices.

8] Stakeholders / Consumer/ Investor Focus:

The Board members, Senior Management Personnel, Employees and Associates shall focus on customer / investor grievances & satisfaction and shall ensure that the communications made are transparent, accurate and truthful i.e. important facts shall not be deliberately omitted and shall not be of misleading nature. The Board members, Senior Management Personnel, Employees and Associates shall acknowledge, assume responsibility and be transparent about the impact of their policies, decisions, products & services and associated operations on the stakeholders of the Company. Any differences with the stakeholders of the Company shall be resolved in a just, fair and equitable manner.

9] Team work and Spirit:

The principles of mutual trust, teamwork and spirit shall be appreciated and maintained. Best efforts shall be made to contribute to an environment that builds confidence and empowers people through personal and professional growth. The Board members /Senior Management Personnel shall attempt that the teams grow together through collaborative working, skills development, knowledge sharing and learning from each other. Employees being invaluable assets shall be motivated to achieve higher goals.

10] Corporate Opportunity:

Except as approved by the Board, the Board members, Senior Management personnel, Employees and Associates are prohibited from:

a) taking any personal opportunities directly or indirectly that belong to the Company or are discovered through the use of Company's property, information or position; and/or

b) using the Company's property, information or position for personal gain/advantage or to cause detriment to the Company.

Subject to the provisions of this clause 10, an Independent / Non- Executive Director shall have the full liberty to pursue his / her independent professional / business/ employment activities and / or to assume office(s) of director/ trustee.

11] Gift & Donations:

No Board member, Senior Management Personnel, Employee of the Company shall receive or offer, directly or indirectly, any gifts, donations, remuneration, hospitality, illegal payments and comparable benefits which are intended to obtain business favours. Subject to this clause, nominal gifts of commemorative nature, for special events / achievements or in the course of social relations and normal business courtesies may be accepted or given.

12] Safeguarding Company's Assets:

The use of Company's assets for illegal or non-ethical business purposes shall be strictly prohibited. Protecting the Company's assets regardless of whether the same is tangible or intangible is the responsibility of each Board member, Senior Management Personnel, Employee and Associate(s).

13] Financial Record keeping & reporting:

It is critical to ensure that all transactions are properly identified, analysed and recorded. Regardless of whether a Board member, Senior Management Personnel, Employee is directly involved in financial reporting or accounting, most do come into contact with financial transactions directly or indirectly. All reasonable efforts are expected to ensure that all business records and reports are accurate, complete and reliable.

14] Duties of Board member:

Without limiting the generality of the duties stated in the Companies Act, 2013, the SEBI Listing Regulations, SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct for Prevention of Insider Trading framed there under and other applicable laws [as amended from time to time], the duties of a Board member are as under:

In terms of Section 166 of the Companies Act, 2013, a Board member shall:

- act in accordance with the articles of the Company;
- 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;
- exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- 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;
- 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;

- shall not assign his office and any assignment so made shall be void.

Further in terms of Para III (Duties) of Schedule IV of Companies Act, 2013, the Independent Directors shall:

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- 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;
- strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- strive to attend the general meetings of the Company;
- where they have concerns about 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;
- keep themselves well informed about the Company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 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;
- 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;
- report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- 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.

Provided that an Independent Director or a Non-Executive Director (not being promoter), shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with his / her knowledge, attributable through business processes, and with his consent or connivance or where he had not acted diligently.

15] Email And Internet:

Posting and disseminating Company's information and data on Internet, social media platform or on private networks is prohibited except (i) in relation to the Company's business requirements or exigencies; and/or (ii) in order to comply with the provisions of the applicable laws, rules or regulation; and/or (iii) when expressly authorized by the

Board / Company . The use of Internet facilities for accessing unethical, immoral websites from the computers provided by the Company is barred.

16] Bribery:

Giving or receiving an undue reward / bribe or anything to influence the behaviour of someone to obtain commercial advantage is discouraged. Under the Prevention of Corruption Act, 1988, or under any other applicable legislation across the globe giving of bribe to governmental officials and agents whether directly or indirectly, is strictly prohibited. As a law abiding individual, the Board members, Senior Management Personnel, Employees and Associates shall not directly or indirectly pay any bribe to any Governmental / Regulatory officials, business associates, contractors, vendors, agents, etc. in relation to the Company / its business.

17] Outsider's Recourse:

No outsider will have any right or recourse to any action or claim of whatsoever nature against any of the Board member, Senior Management Personnel, Employee or Associate of the Company for the non-compliance of this Code of Business Conduct & Ethics.

18] Reporting:

While every Board member/Senior Management Personnel/Employee/Associate has to himself ensure compliance with this Code, any instance of violation or possible violation of this Code by the concerned Board member/ Senior Management Personnel/Employee/Associate shall be immediately reported to the Board through the Compliance Officer. Waiver of any provision of this Code may be granted by the Board upon recommendation of the Audit Committee by specifying the reasons thereto. Any such waiver and reasons thereto shall be duly recorded in the minutes.

In case of any doubt as to the best course of action, the concerned Board member/ Senior Management Personnel/ Employee / Associate should promptly contact the Compliance Officer.

In case of any complaints / grievance in relation to the Code or its non-compliance by any Board member / Senior Management Personnel / Employee / Associate, the same can be reported to the Audit Committee Chairperson, or to the Board through the Compliance Officer.

19] Investigation guidelines:

Without prejudice to the rights available under the applicable laws, any grievance / complaint that prima facie make out a case of violation of any of the provision of this Code may be investigated, either internally or through external independent investigators, as the Board may decide. Such investigation shall be subject to confidentiality obligations.

While conducting the said investigation, principles of Natural Justice and provisions of the Code and applicable laws shall be adhered to.

20] Compliance with the Code:

Once every year or upon revision of this Code, every Board member and Senior Management Personnel must acknowledge and execute an understanding of the Code and an affirmation that he/she has complied with the Code. Any newly appointed Board member and Senior Management Personnel will sign such affirmation at the time of joining.

21] Amendment/ Modification:

This Code may be amended or modified by the Board as may be deemed necessary in the interests of the Company and subject to the provisions of applicable laws, regulations or guidelines.

22] The Code of Conduct and Ethics shall be posted on the website of the Company.

**ACKNOWLEDGEMENT FORM -
CODE OF CONDUCT UNDER REGULATION 17(5) THE SECURITIES AND
EXCHANGE BOARD OF INDIA (LISTING OBLIGATION AND DISCLOSURE
REQUIREMENTS) REGULATIONS, 2015**

As a Board member / Senior Management Personnel, I hereby acknowledge that I have received and read the document. I understand that it is my responsibility to consult the Compliance Officer if I have any questions regarding the provisions of the Code.

I understand and agree that as a Board member/Senior Management Personnel, it is my responsibility to adhere to the terms and conditions of this Code.

(Name) (Signature) (Designation) (Date)