

**YATHARTH HOSPITAL & TRAUMA CARE SERVICES LIMITED**

**CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT  
PERSONNEL**

**1. Introduction:**

- 1.1. This Code of Conduct for the Board of Directors and Senior Management Personnel of Yatharth Hospital & Trauma Care Services Limited (“the Company”) is adopted to ensure that the business of the Company is conducted with the highest standards of ethics and values in accordance with the applicable laws, regulations and rules and is critical to the success of the Company and to comply with the applicable rules and regulations of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).
- 1.2. The Board of Directors of the Company at its Meeting held on 21<sup>st</sup> February 2022, approved the Code of Conduct for the Board of Directors and Senior Management Personnel of the Company and the same shall come into force from the date of listing of the securities of the Company on recognized stock exchanges.
- 1.3. The Directors and the Senior Management recognize that they have fiduciary responsibility and are accountable to maximize shareholder value through good business practices and controls.
- 1.4. Terms not defined in the Code shall have the meaning as assigned to such terms under Companies Act, 2013, as amended and Listing Regulations.

**2. Definitions & Interpretations:**

- 2.1 The term “**Board of Directors**” or “**Board**”, in relation to a Company, means the collective body of the Directors of the Company.
- 2.2 The term “**Whole-time Director**” shall be the Directors on the Board of Directors of the Company includes a Director who are in whole-time employment of the Company.
- 2.3 The term “**Non-Executive Director**” shall mean Directors on the Board of Directors of the Company who are not in whole time employment of the Company.
- 2.4 The term “**Independent Directors**” shall mean an Independent Director referred to in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- 2.5 The term “**Conflict of Interest**” means where the interests or benefits of one person or entity conflict with the interests or benefits of the Company.
- 2.6 The term “**Senior Management Personnel**” shall mean officers / personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager (including chief executive

officer/manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.

### **3 Philosophy:**

3.1 Basic philosophy of the Code of Conduct has been guided by the practices of good corporate governance followed by the Company. The core values of the Company are:-

- i. Commitment to excellence
- ii. Integrity including honesty, openness, fairness and trust
- iii. Care for people
- iv. Dynamic and successful business organization
- v. A Socially-valued enterprise
- vi. Business integrity

### **4 Key Requirements:**

4.1 The Board Members and Senior Management Personnel must act within the authority conferred upon them and in the best interests of the Company and besides the duties and responsibilities cast upon Directors by applicable laws, articles of association of the Company, a Director is also expected to observe the following Code of Conduct:

- i. Shall act honestly, diligently and in good faith in all their dealings with and for the Company.
- ii. Shall maintain confidentiality of information entrusted by the Company or acquired during the performance of their duties and shall not use it for personal gain or advantage.
- iii. Shall act in accordance with highest standards of integrity, fairness and ethical conduct while working for the Company as well as in representing the Company and also to fulfill their fiduciary obligations without their judgment being subordinated.
- iv. Shall not involve themselves in making any decision on a subject matter in which a conflict of interest arises or could arise, between their personal interest and the interests of the Company. In the event of apprehending such conflict of interests the relevant facts shall be disclosed in writing explaining the circumstances that would create or could create the conflicts of interests to:
  - (a) the Board of Directors in the case of Directors (whole-time and non-executive) and
  - (b) Managers and above in the case of Senior Management Personnel for further directions in the matter.

- v. Shall not have any personal financial interests in works or contracts awarded by the Company.
- vi. Shall not have any relationship with a contractor or supplier (either directly or indirectly such as through a family member or other person or organization with which they are associated) that could compromise the ability to transact business on a professional, impartial and competitive basis or that may influence decision to be made by the Company.
- vii. Shall not hold any positions or jobs or engage in outside business or other interests that adversely affect the performance of duties of the Company. The Whole-time Directors and Senior Management Personnel are expected to devote their full attention to the business interests of the Company and as, more particularly, subject to terms and conditions laid down in their respective contracts / appointment letters.
- viii. Shall not exploit for their own personal gain, the opportunities that are discovered through Company's business, information or position, unless the opportunity is disclosed fully in writing to the Company's Board of Directors and General Manager as the case may be.
- ix. Shall not seek to accept directly or indirectly any gifts from anyone having business dealings with the Company.
- x. Shall immediately bring to the notice of the Board about any unethical behavior, suspected fraud or violation of the Company's policies.
- xi. Shall comply with all applicable laws, rules and regulations including SEBI (Prohibition of Insider Trading Regulations), 2015 and any violation thereon may make them personally liable.
- xii. Shall become and remain familiar with the Company and the economic and competitive environment in which the Company operates and understands the business plan, strategies and objectives.
- xiii. Any information concerning the Company's business, its customers, suppliers, etc., which is not in the public domain and to which the Board Members and Senior Management Personnel 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 law. No Board Members and Senior Management Personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specifically authorized.
- xiv. The Directors shall notify the other Directors about the material personal interest in any matter and must not vote on such matter;

- xv. Shall be committed to shareholders' worth value and shall strictly comply with all regulations and laws that govern shareholders' right.
- xvi. The shareholders shall be informed about all relevant aspects about the Company's business and disclose such information as may be required from time to time, in accordance with applicable rules and regulations.
- xvii. All books, records, accounts and financial statements will be maintained in reasonable detail, appropriately reflect transactions and conform to both applicable legal requirements and systems of internal control.

#### **5 Code of Conduct for Independent Directors:**

5.1 Code of conduct applicable to the Independent Directors shall be as per the **Appendix** to this code.

#### **6 Enforcement of Code of Conduct:**

- 6.1 Each Board Member and Senior Management Personnel shall be accountable for fully complying with this Code.
- 6.2 The Company shall ensure confidentiality and protection to any person who has, in good faith, reported a violation or has suspected violation of law, of this Code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation.

#### **7 Waiver and Amendments of the Code:**

- 7.1 No waiver of any of the provisions of this Code shall be valid unless the Board of Directors of the Company approves such waiver in case of Board Members and by Chairman/ Chief Financial Officer/ Chief Operating Officer in the case of Senior Management Personnel.
- 7.2 The provisions of this Code can be amended as may be required by the Board of Directors of the Company from time to time.

#### **8. Insertion of the Code in website:**

8.1 As required by Regulation 46 of the Listing Regulations this code and any amendments thereto shall be posted on the website of the Company [www.yatharthhospitals.com](http://www.yatharthhospitals.com)

#### **9. Annual Compliance Reporting**

9.1 All members of the Board and Senior Management shall affirm compliance with this Code on an annual basis.

## APPENDIX

## YATHARTH HOSPITAL &amp; TRAUMA CARE SERVICES LIMITED

## CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

**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) scrutinize 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 control 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 or intimate before to the Company Secretary for any leave of absence;
- (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 behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- (12) acting within their 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.

**IV. Manner of appointment:**

- (1) Appointment process of independent directors shall be independent of the Company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the Company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out:
  - the term of appointment;
  - the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - provision for Directors and Officers (D and O) insurance, if any;
  - the Code of Business Ethics that the company expects its directors and employees to follow;
  - the list of actions that a director should not do while functioning as such in the company; and
  - the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the Company's website.

**V. Re-appointment:**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

**VI. Resignation or removal:**

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in Sections 168 and 169 of the Companies Act, 2013.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.
- (3) Where the Company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case maybe, the requirement of replacement by a new independent director shall not apply.

**VII. Separate meetings:**

- (1) The independent directors of the Company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the Company shall strive to be present at such meeting;
- (3) The meeting shall:
  - a. review the performance of non-independent directors and the Board as a whole;
  - b. review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
  - c. assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**VIII. Evaluation mechanism:**

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

\*\*\*\*\*