

KOVAI MEDICAL CENTER AND HOSPITAL LIMITED

CODE OF CONDUCT (Clause 49 of the Listing Agreement)

Applicable to all directors, key managerial personnel, senior management (one level below the Board of Directors) including functional heads and other employees of the Company

KMCH's Code of Conduct is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct.

Philosophy

KMCH is a professionally managed organisation and the core value underlying our corporate philosophy is "trusteeship". We believe this organisation has been handed to us by the various stakeholders in "trust" and we as professionals are the "trustees" of these stakeholders. It is therefore our responsibility to ensure that the organisation is managed in a manner that protects and furthers the interests of our stakeholders. We recognise society as an important stakeholder in this enterprise and therefore it is part of our responsibility to practice good corporate citizenship.

KMCH believes that every director, key managerial personnel, senior management including functional heads and employee is a trustee of KMCH's stakeholders and must adhere to this Code of Conduct and conduct himself or herself at all times in a professional and ethical manner.

It is also our belief that in order to serve the interests of our stakeholders in perpetuity, we must build KMCH into an institution whose dynamism and vitality are anchored in its core values.

Corporate Governance Policy

The Corporate Governance Policy is the apex level instrument guiding conduct of the affairs of KMCH and clearly delineates the roles, responsibilities and authorities of the key entities in the governance structure of KMCH. This Code forms an integral part of KMCH's Governance Policy. The directors, key managerial personnel, senior management (one level below the Board of Directors), including functional heads and other employees must adhere to the Corporate Governance Policy of KMCH.

Good Corporate Citizenship

In the conduct of KMCH's business, the practice of good corporate citizenship is a prerequisite and embraces the following:

Dealing with People in the Organisation

In dealing with each other, directors, key managerial personnel, senior management including functional heads and other employees shall uphold the values which are at the core of our HR Philosophy - trust, teamwork, mutuality and collaboration, meritocracy, objectivity, self respect and human dignity. Indeed, these values form the basis of KMCH's HR management systems and processes. In selection and recruitment, while meritocracy will be a prime criterion, managers will scrupulously consider all factors that go towards securing the interests of KMCH. KMCH will focus on meritocracy, equity and upholding of Company values in all people processes including performance management systems, appraisals, remuneration and rewards.

A Gender Friendly Workplace

As a good corporate citizen, KMCH is committed to a gender friendly workplace. It seeks to enhance equal opportunities for men and women, prevent/stop/redress sexual harassment at the workplace and institute good employment practices.

KMCH has a zero tolerance against sexual harassment. KMCH maintains an open door policy for for reportees of any sexual harassment and encourages employees to report any harassment concerns and is responsive to employee complaints about harassment or other unwelcome and offensive conduct. An [Internal Complaints Committee](#) has been constituted to enquire into complaints and to recommend appropriate action, wherever required.

KMCH demands, demonstrates and promotes professional behaviour and respectful treatment of all employees.

Relationships with Suppliers, Patients

All directors, key managerial personnel, senior management including functional heads and other employees shall ensure that in their dealings with suppliers and customers, KMCH's interests are never compromised. Accepting gifts and presents, gratuity payments and other payments from the patients will be viewed as serious breach of discipline as this could lead to compromising the KMCH's interests.

Legal Compliance

It is KMCH's policy to comply fully with all applicable laws and regulations. Ensuring legal and regulatory compliance is the responsibility of the Key Managerial Personnel and the functional heads of the Businesses. KMCH will not accept practices which are unlawful or may be damaging to its reputation. Key Managerial Persons and functional heads must satisfy themselves that sound and adequate arrangements exist to ensure that they comply with the legal and regulatory requirements impacting each business and identify and respond to developments in the regulatory environment in which they operate. In the event the implication of any law is not clear, the KMCH's Legal Department shall be consulted for advice.

Health and Safety

KMCH attaches great importance to a healthy and safe work environment. KMCH is committed to provide good physical working conditions and encourages high standards of hygiene and housekeeping. Particular attention should be paid to training of employees to increase safety awareness and adoption of safe working methods, particularly designed to prevent serious or fatal accidents.

Environment Policies

KMCH believes that commitment to sustainable development is a key component of responsible corporate citizenship and therefore deserves to be accorded the highest priority. Accordingly, the Company is committed to Best Practices in environmental matters arising out of its business activities and expects each business to fully demonstrate this commitment.

In addition to complying with applicable laws and regulations, KMCH will strive to establish procedures for assessing the environmental effects of its present and future activities. KMCH endeavours to adopt Best Practices in their environmental policies and procedures.

Personal Conduct

All directors, key managerial personnel, senior management including functional heads and other employees have the obligation to conduct themselves in an honest and ethical manner and act in the best interest of KMCH at all times. They are expected to demonstrate exemplary personal conduct through adherence to the following:

Duties of Independent Directors

Independent Directors appointed on the Board of Directors of the Company provide a healthy balance in Board functioning and decision making. The following are the duties of the Independent Directors:

Independent Directors shall

- on their appointment be inducted into the Board through proper awareness of the Company's business, systems, board practices and systems and to familiarize with the business of the Company;
- update their core knowledge and update their skill sets for effective participation and contribution to the decision making process and also keep themselves well informed about the Company and its business;
- attend all meetings of the Board and that of Committees of the Board wherever they are members;
- effectively and constructively participate in the meetings of the Committees of the Board where they are chairperson or members;
- strive to attend general meetings of the Company;
- seek appropriate clarification on agenda items wherever necessary and seek outside professional advice and opinions at the expense of the Company;
- insist on recording in the minutes on any concerns or dissent from any transaction wherever their concerns are not properly or satisfactorily addressed;
- not unfairly obstruct functioning of otherwise proper Board or Committee of the Board;
- pay sufficient attention to matters relating to related party transactions, ensure proper and adequate deliberations prior to their approval and assure themselves that they are in the interest of the Company.
- Ensure proper vigil mechanism is in place and their effective functioning and further ensure that the users of the vigil mechanism are not put to hardships;
- report unethical behavior, suspected fraud or violation of Company's Code of Conduct or ethics policy;
- act ethically within their authority and powers and to further legitimate interests of Company, shareholders, employees and other stakeholders.
- Not disclose Board discussions, confidential information, unpublished price sensitive information, trade secrets unless such disclosure is necessitated by the Board or by the Law.

Avoidance of Conflict of Interest

All directors, key managerial personnel, senior management including functional heads and other employees must avoid situations in which their personal interest could conflict with the interest of the Company. This is an area in which it is impossible to provide comprehensive guidance but the guiding principle is that conflict, if any, or potential conflict must be disclosed to higher management for guidance and action as appropriate.

Transparency and Auditability

All directors, key managerial personnel, senior management including functional heads and other employees shall ensure that their actions in the conduct of business are totally transparent except where the needs of business security dictate otherwise. Such transparency shall be brought about through appropriate policies, systems and processes, including as appropriate, segregation of duties, tiered approval mechanism and involvement of more than one manager in key decisions and maintaining supporting records. It shall be necessary to voluntarily ensure that areas of operation are open to audit and the conduct of activities is totally auditable.

Protection of Confidential Information

No director, key managerial personnel, senior management including functional heads and other employee shall disclose or use any confidential information gained in the course of employment/ association with the Company for personal gain or for the advantage of any other person. No information either formally or informally shall be provided to the press, other publicity media or any other external agency except within approved policies.

Company Facilities

No director, key managerial personnel, senior management and other employees shall misuse Company facilities. In the use of Company facilities, care shall be exercised to ensure that costs are reasonable and there is no wastage.

Leading by Example

The organisation's directors, key managerial personnel and senior management including functional heads set the professional tone for the Company. Through both their words and their actions, the organisation's leadership conveys what is acceptable and unacceptable behaviour. KMCH's directors, key managerial personnel, senior management and other employees must constantly reinforce through their actions and behaviour that KMCH's stated beliefs of responsible corporate citizenship are rooted in individual conviction and personal integrity.

Waivers

Any waiver of any provision of this Code of Conduct for a director, key managerial personnel, senior management including functional heads or employees must be placed for approval before the Company's Board of Directors as may be appropriate, with documentary justification. Such waivers including its justification shall be approved by at least two Independent Directors.

Non Adherence

Any instance of non-adherence to the Code of Conduct / any other observed unethical behaviour on the part of those covered under this Code should be brought to the attention of the immediate reporting authority, who shall in turn report the same to the Head of Corporate Human Resources.

Whistle Blower Policy

In order to enable a director, key managerial personnel, senior management including functional heads or employees to report instances of unethical behaviour, actual or suspected incidents of fraud or violation of the Code of Conduct that could adversely impact the KMCH's operations, business performance and / or reputation, a Whistle Blower Policy is put in place which can be taken advantage of. It is the policy of KMCH that a whistle blower shall not be victimized for his actions, at any cost.

Adherence to the Code of Conduct

The Managing Director or the CEO of the Company ensure proper adherence of the Code and declare its proper adherence in the Annual Report of the Company.
