



# LOTUS



**LOTUS EYE HOSPITAL AND INSTITUTE LIMITED**

**Code of Conduct for Board of Directors and**

**Senior Executives**



## 1. INTRODUCTION

This Code of Conduct for Board of Directors and Senior Executives (hereinafter referred to as ‘the Code’) of **Lotus Eye Hospital and Institute Limited** (hereinafter referred to as ‘the Company’) helps in maintaining and conducting the following standards of business conduct of the Company. The purpose of the Code is to promote ethical conduct in the Company. The matters covered in this Code are of the utmost importance to the Company, its stakeholders and business partners.

Further, these are essential so that the Company can conduct its business in accordance with its stated values. Ethical business conduct is critical to a business. Accordingly, Directors and Senior Executives of the Company are expected to read and understand this Code, uphold these standards in day-to-day activities, and comply with all applicable laws; rules and regulations and all applicable policies and procedures adopted by the Company that govern the conduct of its employees. For any further clarifications, the Head of HR/Compliance Officer of the Company may be contacted. The Board of Directors have approved this Code and it would be applicable to each Director from the date it is approved by the Board. However, in case of Senior Executives of the Company, they should sign the acknowledgment form at the end of this Code and return the form to the department indicating that they have received, read and understood, and agreed to comply with the Code. The signed acknowledgment form shall be submitted to HR Head/Compliance Officer.

## 2. DEFINITIONS AND INTERPRETATIONS

In this code, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them below:

- 2.1 The term ‘Relative’ shall mean relative as defined under Section 2(77) of the Companies Act, 2013 and Rules made thereunder.
- 2.2 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.
- 2.3 The term ‘Senior Executives’ shall mean Senior Manager and above.

In this Code words importing masculine shall include feminine and neuter and words importing singular shall include plural or vice versa.

## 3. APPLICABILITY

This is a comprehensive code and applies to:

- i. All Directors; and
- ii. Senior Executives.

However, the provisions shall apply to Executives and Non-Executive Directors including Independent Directors only to such extent as may be applicable depending on their respective roles and responsibilities.



The Code does not specifically address every potential form of unacceptable conduct, and it is expected that all the Directors and Senior Executives will exercise good judgment in compliance with the principles set out in this Code. Every Director/Senior Executive has a duty to avoid any circumstances that would violate the letter or spirit of this Code.

#### **4. KEY REQUIREMENTS**

The Directors or Senior Executives shall, in all matters related to the company, act within the authority conferred upon them, keeping the best interests of the Company in view and observe the following:

- i) shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct;
- ii) shall act in utmost good faith and fulfill the fiduciary obligations without allowing their independence of judgment to be compromised;
- iii) shall not involve in taking any decision on a subject matter in which a conflict of interest arises or which in his opinion is likely to arise;
- iv) shall avoid having any personal and/or financial interest in any business dealings concerning the Company;
- v) shall avoid any dealing with a Contractor or Supplier that compromises the ability to transact business on a professional, impartial and competitive basis or that may influence discretionary decision to be made by the Board Members / Company;
- vi) shall not hold any position or job or engage in outside business or other interest that is prejudicial to the interest of the Company;
- vii) shall not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board of Directors/ Chairman cum Managing Director of the Company and the Board declines to pursue such opportunity and allow him to avail such opportunity;
- viii) shall not make any statement which has the effect of adverse criticism of any policy or action of the Company or which is capable of embarrassing the relations between the Company and the public including all the stakeholders;

Provided that nothing in this clause shall apply to any statement made or views expressed by a Board member, which are purely factual in nature and are not considered as confidential, in his official capacity or in due performance of the duties assigned to him;

- ix) shall avoid conducting Company business with a relative, or with a business in which a relative is associated in any significant role. The Company discourages the employment of relatives of Senior Executives in positions or assignments within the same department. Further, the Company prohibits the employment of such individuals in positions that have a financial dependence or influence (e.g., an auditor or control relationship, or a supervisor / subordinate relationship).



## **5. PROFESSIONAL CONDUCT OF INDEPENDENT DIRECTORS**

The following is a guide to professional conduct for Independent Directors of the Company and also incorporates the duties of Independent Directors of the Company as laid down in the Companies Act, 2013.

### **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;
- 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 his 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.

An Independent Director and a Non-Executive Director (not being Promoter or Key Managerial Personnel) shall be held liable only, in respect of such acts of omission or commission by the Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

## **6. INTERACTION WITH MEDIA**

The Chairman & Managing Director (CMD) of the Company or any other executive authorized by the CMD is the only Spokesperson/s who would interact with the media - press, radio, TV, online, social media including twitter handles. No other executive of the Company will make any statement in the media - press/ radio/ TV/ online/ social media. No executive of the Company can criticize the Company in any article/ blog/ post/ tweet in media - press/ radio/ TV/ online/ social media/ twitter.

## **7. GIFTS & DONATIONS**

The Director and Senior Executives shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favors for the conduct of its business. However, the Board members may accept and offer nominal gifts, which are customarily given and are of a commemorative nature, for special events.

## **8. DISCLOSURE**

The Company's policy is to provide full, fair, accurate, timely, and understandable disclosure in reports and documents that are filed with or submitted to any outside agency and in Company's other public communications. Accordingly, the Directors and Senior Executives must ensure that they and others in the Company comply with Company's disclosure controls and procedures, and the internal controls for financial reporting.

## **9. COMPLIANCE WITH LAWS, RULES AND REGULATIONS/ INTERNAL COMPANY POLICIES**

Directors and Senior Executives must comply with all applicable governmental laws, rules and regulations. Directors and Senior Executives must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers, and to know when to seek advice. Directors and Senior Executives must comply with the Company's internal policies. The HR Department of the Company will arrange training for those employees who are discharging the functions relating to compliance with the rules/ laws/ technical knowhow and research & development activities for their respective departments.



## 10. VIOLATIONS

Part of an Executive's job and of his or her ethical responsibility, is to help enforce this Code. Directors and Senior Executives should be able to alert possible violations and report this to the Head of HR/ Secretarial Department/ Chairman & Managing Director (CMD). Directors and Senior Executives must co-operate in any internal or external investigations of possible violations. Reprisal, threat, retribution or retaliation against any person who has, in good faith, reported a violation or a suspected violation of law, this Code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation, is prohibited. Actual violations of law, this Code, or Company's other laid down policies or procedures, should be promptly reported to the Head of the HR/ Secretarial Department/ Chairman & Managing Director (CMD). The Company will take appropriate action against any Director or Senior Executive whose actions are found to violate the Code or any other policy of the Company, after giving him a reasonable opportunity of being heard. Where laws have been violated, the Company will co-operate fully with the appropriate authorities and regulators.

## 11. WAIVERS AND AMENDMENTS

The Company is committed to continuously review and update the policies and procedures. Therefore, this Code is also subject to modification. Any amendment/ inclusion or waiver of any provision of this Code must be approved by the Company's Board of Directors / Committee of Directors and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the modifications.

## 12. ACKNOWLEDGMENT OF RECEIPT

**For Director:** As soon as it is approved by the Board, same will be applicable to all the Directors.

**For Senior Executives:** Senior Executives should sign the acknowledgment form at the end of this Code and return the form to the department indicating that they have received, read and understood, and agreed to comply with the Code. The signed acknowledgment form shall be submitted to HR Head.

**Note: - This Code of Conduct for Board of Directors and Senior Executives was originally framed and effected from 01.08.2008 and subsequently modified several times and last modification takes place on the Board Meeting held on 13<sup>th</sup> August, 2016 and shall be effective from the date of its approval or modified as the case may be. This Code of Conduct will be available on the website of the Company.**

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**LOTUS EYE HOSPITAL AND INSTITUTE LIMITED**

**CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR EXECUTIVES**

**ACKNOWLEDGEMENT FORM**

I have received and read the Company's 'Code of Conduct for Board of Directors and Senior Executives' ('the Code'). I have understood the provisions and policies contained in this Code and I agree to comply with this Code.

If I have questions concerning the meaning or application of the Code, any Company policies, or the legal and regulatory requirements applicable to my job, I understand I can consult the HR Department / Secretarial Department/ Chairman & Managing Director (CMD), and that my questions or reports to these sources will be maintained in confidence.

**Signature** :

**Name** :

**Designation** :

**Date** :

**Place** :

*(Please sign and return this form to the HR department for requisite filing.)*