

**HEALTHIUM MEDTECH LIMITED**

**CIN No. U03311KA1992PLC013831**

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Bangalore -560058

**CODE OF CONDUCT FOR BOARD OF DIRECTORS (INCLUDING INDEPENDENT DIRECTORS) AND SENIOR MANAGEMENT PERSONNEL**

**1. Introduction:**

This Code of Conduct for the Board of Directors and Senior Management Personnel of Healthium Medtech Limited (“**Company**”) (“**Code**” or “**Code of Conduct**”) is being introduced 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. All the Directors and the Senior Management Personnel of the Company must act within the bounds of the authority conferred upon them and with a duty to make and enact informed decisions and policies in the best interests of the Company and its Shareholders/Stakeholders. This Code enables the Company to publicly state to its external stakeholders (suppliers, customers, consumers and shareholders), the way in which they intend to do business. The Code shall become effective from 1 September 2021

**2. Definitions**

- 2.1. The term “**Directors**” shall mean Directors on the Board of Directors of the Company, including the Chairman and Managing Director.
- 2.2. The term “**Senior management Personnel**” shall mean officers/personnel of the listed entity 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.
- 2.3. The term ‘**Relative**’/‘**immediate families**’ shall have the same meaning as the term “relative” defined in Section 2 (77) of the Companies Act, 2013.

**3. Applicability:**

3.1 This Code shall be applicable to the following persons:

- a) Managing/Whole-time Directors including the Executive Chairman of the Company.
- b) All Non-Executive Directors including Independent Directors unless specifically exempted from some provisions of this Code.
- c) All Employees in the category of Senior Management Personnel of Healthium Medtech Limited

**4. Code of conduct must be observed by all the Directors and the Senior Management Personnel**

#### **4.1 Honesty & Integrity: w**

The “Directors” and “Senior Management Personnel” have to observe honesty, integrity and law abiding behaviour and to exercise powers vested in them in good faith in the interest of the Company.

The Directors and Senior Management Personnel have to ensure compliance with the Company’s policies and applicable laws and shall act in the best interests of the Company and fulfil their fiduciary obligations.

#### **4.2 Conflict of Interest:**

Directors and Senior Management Personnel of the Company shall not engage in any business, relationship or activity, which may be in conflict of interest of the Company or the group. 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. Few are some of the common circumstances that may lead to a conflict of interest, actual or potential:

4.2.1 Directors & Senior Management Personnel should not 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.

4.2.2 Directors & Senior Management Personnel should not make any investment, accept any positions or benefits, participate in any transaction or business arrangement or otherwise act in a manner that creates or appears to create a conflict of interest unless they make a disclosure of all such facts and circumstances. A “Conflict of Interest” arises when one takes actions or have interests that conflict in any way with the interest of the Company.

#### **4.3 Compliance**

Directors and Senior Management Personnel are required to comply with all applicable laws, rules and regulations, both in letter and in spirit. In order to assist the Company in promoting lawful and ethical behaviour and must report any possible violation of law, rules, regulation or the code of conduct to the Compliance Officer.

#### **4.4 Confidentiality of Information:**

Any information concerning the Company’s business, its customers, suppliers etc., which is not in the public domain and to which the Director/ Senior Management Personnel has access or possess such information, must be considered confidential and held in confidence, unless authorized to do so and when disclosure is required as a matter of law. No Director / Senior Management Personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specially authorized.

#### **4.6 Protection of Assets/Intellectual Property:**

Directors & Senior Management Personnel shall ensure that assets of the Company are used for Company’s business purposes only and will take due care that the Company’s assets in their custody/control are not misappropriated, loaned to others, sold or donated,

without proper authorization by the Company and they shall also make their best efforts to protect all intellectual properties related to the Company.

#### **4.7 Disclosure of Interest:**

Any Director having financial or other interest by himself or through his relatives in any party contracting with the Company including vendors and customers, or in an organization which is in competition with the Company shall make such interest known to the Board at the first opportunity and shall abstain from any discussion or decision making on matters related to the Company and to such contracts or to the competitor.

The Director shall make a general disclosure of interest every year in the Form MBP-1 prescribed under Section 184 of the Companies Act, 2013, with the changes, if any, notified to the Board from time to time. The Director shall disclose his investments in the Company and in its holding company or subsidiary, if any, and changes therein, if any, from time to time.

#### **4.8 Reporting of Illegal or Unethical Behaviour (Whistle Blower Mechanism):**

The Company shall promote ethical behaviour in all its business activities. Employees are free to report existing/probable violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management. If the employees have reason to believe that the Senior Management Personnel are involved in unethical conduct, they should report these facts to the Audit Committee of the Company's Board of Directors. Such reports received from any employee will be reviewed by the Board from time to time.

All Key Personnel shall not attempt to suppress/conceal any such view or reporting. The confidentiality of those reporting violations shall be protected and they shall not be subjected to any discriminatory practices.

#### **5. Code for Independent Directors:**

The Code is a guide to professional conduct for independent directors pursuant to section 149, section 166 and Schedule IV of the Companies Act, 2013.

##### **5.1 Guidelines of professional conduct:**

An Independent Director shall:

- a) Uphold ethical standards of integrity and probity;
- b) Act objectively and constructively while exercising his duties;
- c) Exercise his responsibilities in a bona fide manner in the best interest of the Company;
- d) Devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- e) 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;

- f) 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;
- g) Refrain from any action that would lead to loss of his independence;
- h) Where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- i) Assist the company in implementing the best corporate governance practices.

## **5.2 Role and functions:**

The independent directors shall:

- a) help in bringing an independent judgment to bear on the board of director's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- b) bring an objective view in the evaluation of the performance of board and management;
- c) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) satisfy themselves on the integrity of the financial information and that financial controls and the systems of risk management are robust and defensible.
- e) safeguard the interests of all stakeholders, particularly the minority shareholders;
- f) balance the conflicting interest of the stakeholders;
- g) 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; and
- h) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

## **5.3 Duties of Independent Director:**

The Independent Directors shall:

- a) Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- b) 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;
- c) Strive to attend all meetings of the Board of Directors and of the committees of which he is a member and general meetings of the Company;
- d) Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) 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;
- f) Keep themselves well informed about the Company and the external environment in which it operates;
- g) Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

- h) Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the best interest of the Company;
- i) Ascertain and ensure that the company has an adequate and functional vigil mechanism and ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- j) Report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- k) Acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- l) 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.

#### **5.4 Manner of appointment of Independent Director:**

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.

The appointment of independent director(s) of the Company shall be approved at the meeting of the shareholders.

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 fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder and that the proposed director is independent of the management.

The appointment of Independent Directors shall be formalized through a letter of appointment, which shall set out:

- a. the term of appointment;
- b. 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;
- c. the fiduciary duties that come with such an appointment along with accompanying liabilities;
- d. provision for Directors and Officers insurance, if any;
- e. the Code of Business Ethics that the company expects its directors and employees to follow;
- f. the list of actions that a director should not do while functioning as such in the Company;
- g. the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Board and other meetings and profit related commission, if any; and
- h. The terms and conditions of appointment of independent directors shall also be posted on the Company's website.

Re-appointment of independent director shall be on the basis of report of performance evaluation and in accordance with the provisions of Companies Act, 2013.

### **5.5 Resignation or removal of Independent Director:**

- a) 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.
- b) An independent director who resigns or is removed from the Board of the Company shall be replaced by a new independent director within a period of not more than three months from the date of such resignation or removal, as the case may be.
- c) 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 may be, the requirement of replacement by a new independent director shall not apply
- d) 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.
- e) The terms and conditions of appointment of independent directors shall also be posted on the Company's website.

### **5.6 Separate meetings of Independent Director:**

- a) The independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- b) All the independent directors of the company shall strive to be present at such meeting;
- c) The meeting shall:
  - i. review the performance of non-independent directors and the Board as a whole;
  - ii. review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
  - iii. 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.

### **5.7 Evaluation mechanism for Independent Director:**

The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. 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.

### **6. Duties of Directors:**

- a) Subject to the provisions of Companies Act, 2013, a director of the Company shall act in accordance with the articles of the Company.
- b) The director shall 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.
- c) The director shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- d) The director shall 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.
- e) The director shall 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.

- f) The director shall not assign his office and any assignment so made shall be void.

#### **7. Implementation of Code of Conduct:**

The Compliance Officer shall forward a copy of the code to the existing “**Directors**”, “**Senior Management Personnel**” immediately on its approval by the Board and to the new “**Directors**” or “**Senior Management Personnel**” immediately on their appointment on the Board.

- a) All “**Directors**” and “**Senior Management Personnel**” shall acknowledge the receipt of this code and on intimation of any revision thereon.
  
- b) The Compliance Officer shall report to the Board any breach of this code, which comes to his notice, for its information and to decide on the future course of action.

#### **8. Amendments, Modification & Waivers:**

This Code may be amended, modified, or varied by the Board, subject to appropriate applicable provisions of law, rules, regulations and guidelines. As a general policy, the Board will not grant waivers to this Code. However, in extraordinary situations and for reasons to be recorded in writing, the Board may waive or grant exemption from any one or more of the provisions of this Code.

#### **9. Acknowledgement of Receipt:**

All Board Members and Senior Management Personnel shall acknowledge the receipt of the code, indicating that they have received, read and understood, and agreed to comply with the code and send the same to the Compliance Officer.