

# PRISM MEDICO AND PHARMACY LIMITED

## CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

### Introduction

The Securities and Exchange Board of India (SEBI), on September 2, 2015, notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulations”).

As per Regulation 17(5)(a) of the Regulations, Prism Medico and Pharmacy Limited (the “Company”) has adopted the code namely “Code of Conduct for Directors and Senior Management” (“the Code”) by passing a Board Resolution on 1<sup>st</sup> April, 2017. The Company has formulated the Code to ensure that the business of the Company is conducted in accordance with the applicable laws, the Regulations and with the highest standard of integrity, ethics and values.

### Definitions

“**Act**” shall mean the Companies Act, 2013, rules framed there under and any amendments thereto.

“**Associate Company**” shall have the same meaning as defined under sub-section (6) of Section 2 of the Act.

“**Board**” shall mean Board of Directors of the Company, as constituted from time to time.

“**Body Corporate**” shall have the same meaning as defined under sub-section (11) of Section 2 of the Act.

“**Compliance Officer**” shall mean the Company Secretary under Section 203 of the Act and Regulation 6 of Regulations.

“**Directors**” shall mean all Directors, including Independent Directors of the Company.

“**Independent Director**” shall mean a Director as defined under sub-section (6) of Section 149 of the Act.

“**Key Managerial Personnel**” shall have the same meaning as defined under sub-section (51) of Section 2 of the Act.

“**Relative**” shall mean relative as defined under sub-section (77) of Section 2 of the Act, read with the Companies (Specification of definitions details) Rules, 2014.

“**Securities**” shall mean the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956.

“**Senior Management**” 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 executive directors, including all functional heads.

“**Stock Exchange**” shall mean the stock exchange where securities of the Company are listed.

**“Subsidiary”** shall mean a subsidiary as defined under sub-section (87) of Section 2 of the Act.

**“Unpublished Price Sensitive Information”** shall mean any information, relating to a Company or its Securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the Securities and shall, ordinarily including but not restricted to, information relating to the following:

- i. financial results;
- ii. dividends;
- iii. change in capital structure;
- iv. mergers, de-mergers, acquisitions, delisting(s), disposals and expansion of business and such other transactions;
- v. changes in key managerial personnel; and
- vi. material events in accordance with the listing agreement.

All other words and expressions used but not defined in this Code but defined in the SEBI Act, 1992, the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/ or the rules and regulations made there under shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be

This Code is applicable to all the members of the Board of Directors and Senior Management of the Company and its Subsidiaries.

### **Compliance with Applicable Laws**

The Directors and Senior Management shall comply with all applicable laws, rules, regulations and guidelines, in all areas and geographies where the Company operates, both in letter and spirit. It is therefore desirable that Directors and Senior Management acquire appropriate knowledge of the legal requirements relating to their roles and duties to enable them to be in compliance thereof and to recognize potential risks, and to know when to seek advice from the legal department. Honest and Ethical Conduct Directors and Senior Management are expected to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working on the Company’s premises, at offsite locations where the Company’s business is being conducted, at Company’s sponsored business and social events, or at any other place where they are representing the Company.

Apart from the Code, the Independent Directors, in particular, shall abide by the Code for Independent Directors as prescribed under the Act, as amended, and the Regulations, as amended from time to time (Annexure A).

### **Conflict of Interest**

a) Directors and Senior Management must avoid situations wherein; financial or personal considerations tend to compromise the exercise of professional judgments in discharge of their duties.

b) In addition to mandatory disclosures, Directors and Senior Management shall disclose their association with any other company which, in their judgment, may lead to conflict of interest with the Company.

c) Directors and Senior Management are advised to avoid conducting the Company's business with a Relative, or with a business in which a Relative is associated in any significant role.

d) Directors and Senior Management shall as far as practicable, protect the Company's assets from loss, damage, misuse or theft and ensure that the assets are only used for business purposes and other purposes specifically approved by management and must never be used for unauthorized purposes.

e) Unpublished Price Sensitive Information about the Company, which might impact market price of the Securities of the Company, should be kept in strict confidence until publicly released in accordance with the applicable legal requirements and the Regulations. Directors and Senior Management shall not derive any personal benefit or assist others to derive benefit by giving advice of such nature.

### **Privacy and Confidentiality**

Directors and Senior Management must maintain the confidentiality of information entrusted to them in carrying out their duties and responsibilities, except where disclosure is approved by the Company or legally mandated or if such information is in the public domain. The Company's confidential and proprietary information shall not be inappropriately disclosed or used for the personal gain or advantage of the Directors and Senior Management.

### **Fair Dealing**

Directors and Senior Management shall not take a discriminatory stance towards or give unfair advantage to the Company's employees, customers, suppliers, or competitors through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice. No discrimination shall be done on the basis of caste, religion, sex, nationality or disability of any kind towards any employee, customer, supplier or any business partner.

### **Health, Safety and Environment**

The Company believes in sustainable development and is committed to being a responsible corporate citizen. To uphold the Company's interest and preserve the quality of life of all concerned, the business and operations of the Company shall be conducted in an environmentally friendly manner and provide a safe and healthy working environment to its employees. Directors and Senior Management shall ensure compliance with all applicable environmental, safety and health laws and regulations and internal policies.

### **Annual Review**

Directors and Senior Management shall affirm compliance with the Code on an annual basis. The Corporate Governance Report of the Company shall contain a declaration to this effect signed by the Chief Executive Officer of the Company. Amendment The Board shall have power to amend any of the provisions of the Code, substitute any of the provisions with a new provision or replace the Code entirely with a new Code according to subsequent modification(s)/amendment(s) to the Regulations.

## **Annexure A**

### **THE CODE FOR INDEPENDENT DIRECTORS**

(As per Schedule IV of Companies Act, 2013)

#### **I. Guidelines of professional conduct:**

The Independent Directors 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/ Relative;
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;
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 controls 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 and Senior Management and have a prime role in appointing and where necessary, recommend removal of Executive Directors 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 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 properly 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 behaviour, actual or suspected fraud or violation of the Code of Conduct;
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 under the Act, the Regulations and other applicable laws.