

FORTIS HEALTHCARE LIMITED



POLICY ON DEALING IN SECURITIES OF ASSOCIATES

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CONTENTS

S. No.	Topic	Page No.
CHAPTER I- INTRODUCTION		
1	Introduction and Background	3
2	The Policy Objective and Scope	3
3	Applicability	4
4	Definitions	4
CHAPTER II- DECLARATION OF INTEREST AND DEALING IN SECURITIES IN ASSOCIATES		
5	Compliance Officer	8
6	Mandatory Obligations	8
CHAPTER III- TRADING INTIMATION		
7	Pre- Intimation of Dealing in Securities	9
CHAPTER IV- REPORTING & DISCLOSURE REQUIREMENTS		
8	Reporting & Disclosure Requirements	10
9	Consequences of Violation	10
FORMS		
A	Initial and Annual Statement of Interest in Associates	11
B	Notice of Pre-Disclosure of Dealing in Securities of Associates by Designated Employees	12
C	Form for Disclosure of Change of Interest in Associates	13

FORTIS HEALTHCARE **POLICY ON DEALING IN SECURITIES OF ASSOCIATES**

CHAPTER I

INTRODUCTION

1. Introduction and Background

Securities Regulations in various countries of our operation provide for controls around the permissible extent of shareholding in certain entity's, align conditions for holding such stakes as also mandate reporting requirements regarding any change in such holdings.

Such regulations also provide for automatic triggers regarding the launch of open offers for take-over of minority stakes in case the shareholding in the target entity/s breach pre-defined norms.

The term 'holding' in most cases refers not only to the holdings directly held by the Company (and its group entities) but also extends to include others acting who are, or are 'deemed' to be, acting in combination with the Company for common objective. This extended group are at times referred to as 'concert parties' or parties acting in concert / together.

The use of the term 'deemed' automatically places the defined class under the category of 'concert parties' and any dealings by them are treated as being undertaken with common intention and objective and hence clubbed with the holdings of the Company unless proven otherwise.

The trigger of such open-offers can have unintended and grave financial consequences and as such it becomes critical that the extent of interest / dealings in such Associates, for both the Company and a certain designated class is monitored and controlled.

The current Policy seeks to establish a framework of preventative controls to provide data for effective compliance to reporting regulations as also to monitor shareholding movements to mitigate the risk of an unintentional trigger to statutory thresholds

2. The Policy Objective and Scope

The objective of this Policy is to:

- Implement preventative controls to allow for the collection of information in relation to interest in Associates
- Designate personnel as focus of control
- Facilitate such reporting requirements as may be required in relation to such interest in Associates
- Design and implement preventative approvals / pre-disclosures which would help the Company ensure adherence to regulations and minimize the risk of non-compliance

It is clarified that the objective of the Policy is not to prohibit the dealing in Securities of Associates but to manage the information in relation to the same for proper regulatory reporting and to better prepare the Company against the risk of inadvertent trigger of thresholds that may be mandated.

In order to achieve this objective, this Policy document outlines the requirement for the declaration of interest in Associates as also provides guidance on processes and procedure to be followed when dealing with Securities of Associates. Such processes, if followed, would allow for mitigating controls to be implemented, ensure compliance to regulatory norms as well as protect the reputation of the Fortis Group while promoting a culture of good governance and integrity.

The Company endeavors to preserve the confidentiality and to prevent misuse of such information as disclosed. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all applicable laws and regulations.

This Policy aligns with the guiding principles outlined in the Code of Conduct requiring for corporate actions and behavior (including Policies) to respect, obey and assist the law of the land in letter and in spirit.

3. Applicability

This Policy shall be applicable to **the Fortis Group¹, Designated Employees² of the Fortis Group** and their **Dependents or Close Relatives³**, in relation to their ownership or dealing in securities of **Associates⁴ whose securities are listed on any Stock Exchanges in India or other jurisdiction/s.**

4. Definitions

In this Policy, unless the context otherwise requires:

- (i) **"SEBI Act"** means the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- (ii) **"Regulations"** include, but is not limited to:
 - (a) The SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time
 - (b) The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time
 - (c) Any such related Regulations / Code on Take-overs and Mergers as may be applicable in the jurisdiction of respective Associates and as amended from time to time;

¹ As defined in Clause 4 of this Policy.

² As defined in Clause 4 of this Policy.

³ As defined in Clause 4 of this Policy.

⁴ As defined in Clause 4 of this Policy.

- (iii) **“The Company”** means Fortis Healthcare Limited
- (iv) **“Policy”** means this Policy on Dealing in Securities of Associates, as modified from time to time.
- (v) **“Dealing in Securities”** means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in the securities of the Associate by any person either as principal or agent.
- (vi) **“Designated Employees”** means the following:
 - a) Managing Director and Whole-time Director(s) (by whatever name called for the time being) of the Company;
 - b) Other Directors of the Company;
 - c) Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company;
 - d) CEC Members (i.e. direct reports to CEO) of the Company and/or subsidiaries;
 - e) One level below CEC Members (restricted to Band 3 and above based at Support Office and excluding Executive and Personal Secretaries) of the Company and/or subsidiaries;
 - f) Persons deemed to be acting in concert; and
 - g) Such other persons as the Compliance Officer may notify from time to time basis seniority and professional designation and role and criticality of function that may entail such person to have availability of any Unpublished Price Sensitive Information.
- (vii) **“Dependents”**⁵ means Spouse, Parents and Children, any of whom is either financially dependent on Designated Employee, or consults such person in taking decisions relating to trading in securities and such other family members of the Designated Employee as may be notified by him / her from time to time.
- (viii) **“Close Relative”** means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse;
- (ix) **“Acting in concert”** means any individual/s or company/s who -
 - (i) Pursuant to an agreement or understanding (whether formal or informal), cooperate
 - (ii) Through the acquisition by any of them of securities in a company
 - (iii) To obtain or consolidate effective control of the company
- (x) **“Person deemed to be acting in concert”** with each other unless the contrary is established-

⁵ A term defined under *provide specific details*

- (i) Fortis Group Companies inter-se including:
 - a. Fellow subsidiaries under holding company (s) or any company under same management and control
 - b. Associated company (s) of any Fortis Group Company or Fellow subsidiaries
 - c. Any person (other than a bank in the ordinary course of business) who has provided financial assistance to any of the above for the purchase of voting rights
 - (ii) Members of the Fortis Group Board (s) together with their Dependent family members and Close Relatives, related trusts as well as companies controlled by any of the Directors and their Dependent family members and Close Relatives
 - (iii) The Company and Promoters and members of the promoter group
 - (iv) The Company and its Pension Fund and Employee Share Schemes
 - (v) The Company and any Person who manages the investments of the Fortis Group on a discretionary basis
 - (vi) The Company and any financial or professional advisor or stockbroker engaged with the Fortis Group with respect to shareholdings of:
 - a. The advisor and persons controlling, controlled by or under the same control as the advisor, and
 - b. All the funds which the advisor manages on a discretionary basis, where the shareholdings of the advisor and any of those funds in Fortis Group total 10% or more of the entities share capital
 - (vii) The Company and Partners to the Fortis Group
 - (viii) An individual who alone or together with his close relatives, related trusts, companies controlled by the them or any person (other than a bank in the ordinary course of business) who has provided financial assistance to any of the above for the purchase of voting rights - is accustomed to be act in accordance with the instructions the Fortis Group or 'parties deemed to be acting in concert' with the Fortis Group
- (xi) **“Securities”** include shares, scrip’s, stocks, bonds, debentures, debenture stock, derivatives, units or other marketable securities of a like nature and rights or interest in securities;
 - (xii) **“Working Day”** means working day when the regular trading is permitted on concerned stock exchange where securities of the company are listed.
 - (xiii) **“Fortis Group”** means Fortis Healthcare Limited and its holding and subsidiary companies.
 - (xiv) **“Employee”** means an employee of the Fortis Group.
 - (xv) **“Associates”** means an entity listed on any stock exchange in India or any other jurisdiction
 - (a) in which the Fortis Group owns or controls at least 20% but not more than 50% of the voting rights; and
 - (b) which owns or controls at least 20% but not more than 50% of the voting rights in Fortis Group.

CHAPTER II

DECLARATION OF INTEREST & DEALING IN SECURITIES OF ASSOCIATES

5. Compliance Officer

- 5.1 The Company Secretary of Fortis Healthcare Limited shall be the Compliance Officer for this Policy.
- 5.2 The Compliance Officer shall set forth processes, procedures, monitoring adherence to the rules for declaration of interest in Associates, Dealing in Securities of Associates (if required) pre-clearing of Dealing in Securities by Designated Employees' and their Dependents / Close Relatives, pre-clearance of Dealing in Securities of other employees (not being Designated employees) as may be notified from time to time, monitoring of declarations and Dealing in Securities and the implementation of the Policy under the overall supervision of the Executive Director.
- 5.3 A Record of Designated Employees and their Dependents / Close Relatives shall be maintained in consultation with the respective HR Department(s) under the overall supervision and control of the Compliance Officer and changes taking place in the list from time to time shall be incorporated therein.
- 5.4 The Compliance Officer shall assist all the Employees in addressing any clarifications regarding the Policy as may be amended from time to time.
- 5.5 The Compliance Officer shall designate a Senior Officer of the Company to act as Compliance officer in his/her absence.

6. Mandatory Obligations: Declaration of Interest and Dealing in Securities of Associates

- 6.1 All Designated Employees **shall on an annual basis declare their interest and that of their Dependents / Close Relatives in Associates of the Company.**
- 6.2 All Designated Employees (including their Dependents / Close Relatives) **shall not acquire/purchase/sell Securities in Associates either on behalf of themselves or others without prior disclosure of such Dealing in Securities to the Compliance Officer** at least one (1) week before the intended dealing in compliance with Clause No. 7 below.

This Policy is linked to the Policy for Prevention of Insider Trading and must be read in conjunction with the same.

CHAPTER III

TRADING INTIMATION

7. Pre- Intimation of Dealing in Securities

7.1 All **Designated Employees and their Dependents / Close Relatives** who intend to deal⁶ in the securities of an Associate shall provide such details of the transactions as per the pre-dealing procedure as described hereunder.

7.2 A notification shall be made in **Form 'B'** to the Compliance Officer indicating the maximum number of securities that the **Designated Employee** (or his **Dependent / Close Relative**) intends to deal in, the details as to the depository with which he/she has a security account, the details as to the securities in such depository mode and such other details as may be required by any policy made by the Company in this behalf.

7.3 **A confirmation** shall be executed in favor of the Company by such **Designated Employee** incorporating, *inter alia* the following clauses, as may be applicable:
(a) That the **Designated Employee, Dependent / Close Relative** is not acting under the control, instruction or in concert with another in relation to the dealing;
(b) That he/she has not contravened the Company's Policy/Code for Prevention of Insider Trading as notified by the Company from time to time; and
(c) That he/she has made full and true disclosure in this notification.

7.4 All **Designated Employees** covered under clause 7.1 above and their **Dependents / Close Relatives** shall provide pre-intimation of the intended dealing in securities of the Associates **at least one (1) week** prior to the date of intended dealing.

7.5 **Within a period of 2 days** post completion of the dealing, the **Designated Employee** must update the **Compliance Officer** of the revised holding position under **Form 'C'**.

7.6 It shall be the responsibility of **Designated Employees** to ensure compliance of this clause including in relation to the intended dealing in securities of their **Dependents and Close Relatives**.

7.7 If for any reason the order is not executed, the **Designated Employee** shall promptly update the **Compliance Officer** accordingly and a fresh pre-intimation process, as required under clause 7.2, shall apply for any subsequent intended dealing in securities of the Associate.

7.8 In case a dealing of securities in an Associate is necessitated by personal emergency, the requirement for pre-intimation may be waived by the **Compliance Officer** after recording in writing his reasons in this regard subject to the filing of all required details as mandated under this clause immediately post closure of the dealing. In the case of the **Compliance Officer**, the pre-intimation requirement may be waived off by the **Executive Chairman / Executive Director**.

⁶ A defined term – please refer to Clause 4 for definition.

CHAPTER IV

REPORTING AND DISCLOSURE REQUIREMENTS

8. Reporting Requirements by all Designated Employees

8.1 All Designated Employees shall forward to the Compliance Officer the following details of their securities holdings / transactions including the statement of their Dependent family members / Close Relatives:

- i. All interests in Securities of Associates, at the time of joining the Company in **Form A**;
- ii. An Annual Statement in **Form A** of all interests in Securities of Associates within fifteen (15) days of the end of financial year i.e. 31 March every year.

8.2 The Compliance Officer shall maintain records of all the notifications / declarations / confirmations / forms as mentioned in this Policy, as received from time to time, for a period of three (3) years.

8.3 The Compliance Officer shall place before Executive Chairman/Executive Director, all the details of the dealing in securities by Designated Employees in Associates and the accompanying documents that such persons had executed under the pre-intimation procedure as envisaged in this Policy within fifteen 15 days of the end of every month.

8.4 In case there is no dealing in the securities by Designated Employees during a particular month, then no report shall be placed before the Executive Chairman/Executive Director.

9 Consequences of Violation

9.1 All Designated Employees who violate this Policy shall be subject to such disciplinary action by the Company as may be thought appropriate.

9.2 The action by the Company shall not preclude any regulatory authority from taking any direct action against the Designated Employees.

9.3 Without prejudice to the penalties imposed by a regulatory authority in consequence to the violation by any Designated Employee of the terms of this Policy, the Company reserves the right to seek such costs and damages as may be incurred on account of the direct or indirect failure of the Designated Employee in complying to the terms of this Policy including the recovery of such fines/penalties as may be levied on it by a regulator.

Form A

**Initial and Annual Declaration of Interest
In Associates**

The Compliance Officer
Fortis Healthcare Limited

Dear Sir / Madam,

Re: Initial and Annual Declaration of Interest in Associates

I hereby confirm my and / or my Dependent Family Member (s) / Close Relative (s) interests in the Associate as follows:

(Please indicate separately for each individual)

Name of the Designated Employee and / or Dependant Family Member (s) / Close Relative (s)	Relation with Designated Employee	Details of Interest in Associate held as at the date of this Declaration		
		Name of Associate (Pre-filled)	Direct Interest	Deemed Interest

I confirm in relation to the above interest:

(a) That I hold such interest are held in my / our individual right and not in concert with the Fortis Group.

(b) That in the dealing of the securities I have not contravened the Company's Policies on Dealing in Securities of Associates and for The Prevention of Insider Trading as notified by the Company from time to time

(c) That I have made full and true disclosure in this declaration.

Yours faithfully,

Date:

Place:

Signature

1. Name of the Director / Employee: _____
2. Department / Division _____
3. Employee Code: _____
4. Location _____

Form B

Notice of Pre-Disclosure of Dealing in Securities of Associates by Designated Employees

The Compliance Officer
Fortis Healthcare Limited

Dear Sir / Madam,

Re: Notice for Pre-Disclosure of Dealing in Securities of Associates

I, _____, wish to inform you that I myself and / or Dependant family member (s) / Close Relative (s) as mentioned below intend to acquire up to _____ Shares / Units of _____ (an Associate of the Company) for which I provide pre-disclosure :

Name of the Designated Employee and / or Dependant Family Member (s) / Close Relative (s)	Relation with Designated Employee	Details of interest in Associate held as at the date of this Notice			Details of intended dealings to be Executed
		Name of Associate (Pre-filled)	Direct Interest	Deemed Interest	

I confirm in relation to the above:

- (a) That I hold such interest are held in my / our individual right and not in concert with the Fortis Group.
- (b) That in the dealing of the securities I have not contravened the Company's Policies on Dealing in Securities of Associates and for The Prevention of Insider Trading as notified by the Company from time to time
- (c) That I have made full and true disclosure in this notice.

Yours faithfully,

Date:
Place:

Signature

1. Name of the Director / Employee: _____
2. Department / Division _____
3. Employee Code: _____
4. Location _____

FORTIS HEALTHCARE LIMITED

Form C

Declaration of Change in Interest in Associates

The Compliance Officer
Fortis Healthcare Limited

Dear Sir / Madam,

Re: Declaration of Change of Interest in Associates

I hereby provide details of my revised interest in Associates and declare below dealings in securities of Associates as follows:-

Name of Designated Employee and / or Dependant Family Member (s) / Close Relative (s)	Relation with Designated Employee	Date of Change in Interest	Name of Associate	Details of Interest Acquired / Disposed* in Associate	Interest in Associate held BEFORE Acquisition / Disposal*		Interest in Associate held AFTER Acquisition / Disposal*	
					Direct Interest	Deemed Interest	Direct Interest	Deemed Interest

* Please delete as applicable

I confirm in relation to the above holdings:

(a) That I hold such interest are held in my / our individual right and not in concert with the Fortis Group.

(b) That in the dealing of the securities I have not contravened the Company's Policies on Dealing in Securities of Associates and for The Prevention of Insider Trading as notified by the Company from time to time

(c) That I have made full and true disclosure in this declaration.

Yours faithfully,

Date:

Place:

Signature

1. Name of the Director / Employee: _____

2. Department / Division _____

3. Employee Code: _____

4. Location _____

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