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Issue No: - 01	Issue Date: - 30.09.2024	Revision No: - 00	Date of Rev: - N/A	
Prepared by: - Senior Manager Legal & Compliance		Reviewed by: - Group Chief Executive Officer/Executive Committee/Remunerations Committee		Approved by: - Board of Directors

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1. INTRODUCTION

We are committed to upholding the highest standards of integrity, transparency, and ethical conduct in all our business activities. Accordingly, the Board of Directors of The Lanka Hospitals Corporation PLC (“the Company”) and its subsidiary, Lanka Hospitals Diagnostics (Private) Limited (collectively referred to as “the Group”), has adopted this Directors’ Code of Business Conduct and Ethics (referred to as the “Code of Conduct”) to fulfill their oversight responsibilities in the best interest of the Group within their authority and fiduciary duties.

2. SCOPE

This Code of Conduct applies to all directors of the Group.

3. FUNDAMENTAL PRINCIPLES

All Board members of the Group are expected to;

- a) Act in the best interest of the Company/Group and its subsidiary and uphold their fiduciary duties to all shareholders;
- b) Demonstrate honesty, fairness, ethics, and integrity;
- c) Conduct themselves with professionalism;
- d) Adhere to all relevant laws and regulations;
- e) Act in good faith, responsibly, and with due care, competence, and diligence, while maintaining independent judgment; and
- f) Dedicate the necessary time and effort to attend meetings and stay informed on matters essential to fulfilling their responsibilities as Directors.

4. CONFLICTS OF INTEREST

- a) “Conflicts of Interest” occurs when a director’s private interest interferes (or even appears to interfere) in any way with the interests of the Company or its subsidiary.
- b) Every Director has an obligation to avoid any business, financial, or other direct or indirect interests or relationships that may conflict with the interests of the Company or its subsidiary or that may divide their loyalty to the Company or its subsidiary. Such conflicts may also occur if a Director, or an immediate family member, receives improper personal benefits due to the Director’s position within the Company or its subsidiary. Directors must also be cautious of actions that could reasonably be perceived as creating an appearance of a conflict of interest, even if no actual conflict exists.
- c) Each Director must maintain an arm’s length relationship with the Company and/or its subsidiary and disclose any actual or perceived conflicts of interest situations to the Chairman of the Board.

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- d) Any activity that appears to present a conflict must be avoided or discontinued, unless the Board determines, after full disclosure, that the activity is not detrimental to the Company/Group or otherwise improper. The process of disclosure, discussion, and consultation may ultimately lead to the approval of certain relationships or transactions if it is determined that, despite appearances, they are not harmful to the Company/Group. However, all conflicts of interest, as well as the appearance of such conflicts, are prohibited unless they have gone through this process of full and transparent disclosure. Even in cases where a Director is uncertain about the legitimacy of a transaction, it is advisable to disclose it to the Board to prevent any future misunderstandings.
- e) A resolution made by the Board regarding the acceptability or inappropriateness of any apparent, potential, or actual conflict, relationship, or transaction will be considered final and in the best interest of the Company/Group.
- f) Any questions or concerns about a Director's actual or potential conflict of interest with the Company and/or its subsidiary should be promptly brought to the attention of the Chairman of the Board. The Chairman will review the situation and decide on an appropriate course of action, including whether the matter requires Board consideration.
- g) Engagement with professional organizations or associations generally does not create a conflict of interest, provided that:
 - i. The work aligns with the directors' legitimate professional interests and development, and does not interfere with their regular duties;
 - ii. The use of official resources, whether physical assets or time, is appropriate and not misused;
 - iii. The work does not compete with the Group's activities and is not in conflict with the best interests of the Group;
 - iv. The engagement complies with applicable national, international, or local laws.

5. BRIBERY AND CORRUPTION

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- a) Directors must not offer, give, solicit, or accept bribes, facilitation payments, kickbacks/rebates, *(the definitions given in the Policy on Anti-Bribery and Corruption shall apply herein)*, or other improper payments to gain business or personal advantages for themselves or others or engage in any transaction that could be perceived as violating anti-corruption laws.
- b) Directors should recognize and be aware that bribes can take many forms, whether monetary or non-monetary. These may include, but are not limited to, unauthorized remuneration such as commissions, or other forms of compensation. They may also include material goods, services, gifts, vouchers, hospitality, business amenities, premiums, or discounts of inappropriate value, unreasonable levels, or those not generally offered to others, prohibited by law, or that may reasonably be perceived as unethical or illegal business practices.

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- c) Before giving or accepting any business amenity or gift (of any form or value), Directors must evaluate whether their actions could influence, or appear to influence, the business relationship between the Company and/or subsidiary and other organization or individual, or any business decisions arising from that relationship.

5.1 Gifts, Invitations and Hospitality

- a) As a general rule, Directors are advised against directly or indirectly offering, giving, seeking, or accepting gifts, invitations, hospitality, cash, or cash equivalents from business partners, particularly if they would be uncomfortable disclosing such actions to colleagues, family, or the public. However, the Company acknowledges that occasional acceptance or offering of modest gifts and entertainment can be a legitimate part of fostering positive business relationships. Invitations to business luncheons or dinners are generally acceptable for Directors to both give and receive. The Director involved in receiving or giving gifts or hospitality is responsible for ensuring that the action is appropriate and adheres to the guidelines set out in this Code and the Policy on Anti-Bribery and Corruption. In such an exceptional situation, the following should be assessed:
- i. The value offered or accepted shall not be extravagant, excessive and outside the norm
 - ii. The value offered or accepted should not convey an expressed or perceived advantage or benefit, monetary or otherwise, with the intention to improperly influence the decision-making process to obtain, secure or retain an opportunity.
 - iii. The value should not be offered or accepted during the period that may give the appearance of it being offered to improperly influence the decision made to obtain, secure or retain a business opportunity.
 - iv. The value should not be offered or accepted if it gives rise to actual/real or perceived conflict/conflict of interest.
 - v. The value offered or accepted should not be repetitive or have a recurring pattern.
 - vi. The value should be offered or accepted openly and not secretly.

The ultimate test to be applied is whether in all the circumstances the gift, invitation or entertainment or hospitality is reasonable, justifiable and proportionate.

6. CORPORATE OPPORTUNITIES

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Directors are prohibited from:

- a) Seizing for themselves or for any affiliated companies opportunities discovered through the use of Company/Group property, assets, information, or their position as a Director;
- b) Utilizing the Company's property, information, or their position as a Director for personal gain; or
- c) Competing with the Company for business opportunities.

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7. TRADING IN LISTED SECURITIES

- a) Any information that has not been publicly disclosed shall be treated as “inside information”. This policy prohibits trading in the securities of the Company by any Director or their family members while in the possession of inside information.
- b) Moreover, Directors shall not trade in the securities of the Company even after the release of the information to the Colombo Stock Exchange for a period, which should not be less than two (02) market days after the release of the information to permit thorough public dissemination and evaluation thereof. In computing this period of two (02) market days, the day on which disclosure is made will be excluded.
- c) This policy also prohibits providing inside information to other persons or recommending that they buy or sell the Company's securities on the basis of inside information.
- d) Directors are prohibited from engaging in short sales, hedging, or speculative trading of the Company's securities. The use of derivatives or other financial instruments that could result in financial gain from a decline in the Company's share price is strictly prohibited
- e) All directors should comply with provisions of Section 8.6 and any other related provision of the Listing Rules of the Colombo Stock Exchange pertaining to trading in listed securities by directors/individual or their family members.
- f) If Directors are uncertain about the status of the information they hold, they should consult the Company Secretary for clarification.

8. CLOSE RELATIONSHIPS

- a) Directors must disclose to the Company if any of their relatives (defined for the purposes herein as a spouse, parents, children, siblings, or the spouse of any of these individuals) provide any form of goods or services, either directly or indirectly, to the Company, or are involved as a competitor, vendor, business partner, contractor, or consultant. Directors should avoid participating in or making decisions related to any deal that involves their relatives.
- b) If a Director's relative is a competitor or supplier of the Company or is employed by such an entity, the Director must exercise heightened caution in their communications and actions. This is to ensure the security and confidentiality of the Company's important information and to prevent any potential conflict of interest.

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- c) Any exceptions to these restrictions must be approved on a case-by-case basis by the Chairman, taking into account the specific individuals and circumstances involved.

9. INVESTORS, MEDIA AND OTHERS

Any Director approached by investors, prospective investors, media, or analysts seeking confidential information should direct such requests to the Group Chief Executive Officer. Similarly, any requests for information on the Company's business from investigators or law enforcement officials should be referred to the Group Chief Executive Officer and the Company's Legal Division. Directors should refrain from responding to any such requests directly. Inappropriate or inaccurate responses, including denials or disclaimers, may result in adverse publicity and could significantly impact the Company's legal standing.

10. PROPER USE OF COMPANY ASSETS

- a) Directors are personally responsible for safeguarding all proprietary information provided to them during their tenure. This includes board papers, minutes of shareholders' meetings, Board of Directors and Board Committees' meetings, Directors' Circular Resolutions, and all other confidential information (whether written, oral, paper, or electronic). This encompasses but is not limited to, technical data, product and service information, financial data and projections, marketing strategies, business plans, organizational details, and any non-public financial or other data that could adversely affect the Company if disclosed.
- b) Directors must not use the Company's assets, including equipment, resources, or proprietary information, for any non-Company-related activities. Each Director is responsible for safeguarding the Group's assets entrusted to them in order to perform their duties to the Company and/or its subsidiary from loss, theft, or misuse. All Directors are expected to use his/her business judgment to protect these assets and ensure their efficient use. Any suspected loss, misuse, or theft should be promptly reported to the Group Chief Executive Officer.

11. DATA PRIVACY AND CONFIDENTIALITY

- a) Directors must ensure that the Company and its subsidiary collect, process, and retain personal data from employees, customers, suppliers, and other individuals only to the extent necessary for its business operations and in compliance with relevant laws. Directors should not share personal data with third parties unless it is required by applicable laws and regulations

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- b) In line with their fiduciary duties of loyalty and care, Directors must maintain the confidentiality of all information entrusted to them by the Company/Group, as well as any other confidential information about the Company/Group that they acquire in their capacity as Directors. This includes not disclosing such information to other internal parties or third parties unless disclosure is authorized or legally required. In such cases, Directors must use appropriate confidentiality measures, including designations, password protection, or encryption. For the purposes of this Code, "confidential information" encompasses all non-public information related to the Company/Group.
- c) Even after stepping down/resigning from the post of Director, Directors' obligation to protect confidential information continues until the information becomes publicly available or is no longer deemed confidential by the Company/Group.

12. FAIR DEALING

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Directors must engage fairly with the Company's employees, customers, suppliers, and competitors. No Director may exploit the Company's employees, customers, suppliers, or competitors through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other form of unfair dealing.

13. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

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Directors must comply, and oversee compliance by employees, officers and other directors, with laws, rules and regulations applicable to the Company and its subsidiary.

14. ETHICAL STANDARDS

All Directors are expected to exercise the highest degree of professional business ethics in all actions they undertake on behalf of the Company/Group.

15. VIOLATIONS AND SUSPECTED VIOLATIONS

Directors are expected to familiarize themselves with the Code of Conduct and seek guidance from the Company Secretary for any clarification to avoid misinterpretation or violation. Directors who encounter any unlawful or unethical situations, or suspect violations of the Code of Conduct, should report their concerns to the Company Secretary or the Chairman. All reports will be investigated discreetly, promptly, and thoroughly in accordance

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with applicable laws and regulations. In cases of severe non-compliance, the matter will be escalated to the Board for a decision. Reports will be treated with the highest level of confidentiality. Directors who report violations or suspected violations will be protected from retaliation. However, this protection does not apply to those who are found to have reported matters with false or malicious intent.

16. TRAINING AND EVALUATION

All Directors will be informed of the Code of Conduct and its contents at the start of their tenure, as part of the induction programme. The Code of Conduct will be made available on the Company's website and accessible to the public.

17. COMPANY SECRETARY

The Company has designated the Company Secretary to administer this Code of Conduct. Directors, at their discretion, may make any report or complaint provided for in this Code of Conduct to the Chairman of the Board of the Company or to the Company Secretary. The Company Secretary will refer complaints submitted to the Chairman of the Board.

18. WAIVER

Any waiver of any provision of the Code of Conduct may be made only by the Board and in full compliance with any applicable law or securities exchange regulations.

19. MONITORING AND REVIEW

The Code of Conduct will be reviewed by the Board from time to time to keep in line with the regulatory requirements and any amendments to the Code of Conduct shall be approved by the Board.

20. RELATED POLICIES AND PROCEDURES

This Policy should be read in conjunction with the other policies of the Company, namely risk management and internal control, whistleblower policy, related party transactions, policy on board committees, matters relating to the board of directors, information security and IT security management guidelines.

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