

**NAME OF THE STOCKBROKER**

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**CODE OF CONDUCT & ETHICS POLICY**

## **POLICY CONTROL**

Version: 1.0

Version Date: \_\_\_\_\_ (Date of Passing Board Resolution)

Approved by: Board of Directors

Department in Charge:

Frequency of Review: Yearly or as and when any update comes change in the Relevant Regulation comes or any change in the Company's internal control or Structure whichever is earlier.

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## **CODE OF CONDUCT & ETHICS POLICY**

### **(Compliant with SEBI & Stock Exchange Requirements)**

#### **I. OBJECTIVE:**

The very basic and broad Objectives is to lay down the Code of Ethics & Conduct (the Code) for members of the Board of Directors, senior management and employees and Authorised Persons, dealers, relationship managers, outsourced staff engaged in broking/related services, and any person acting on behalf of the Stock Broker and helps in maintaining the standards of business conduct at \_\_\_\_\_ (Name of the Stock Broker / Member) and to ensures compliance with legal requirements of various applicable regulations.

#### **II. PURPOSE:**

The purpose of this code is to promote ethical conduct by setting a quality of good governance and discourage wrongdoing. The matters covered in this code are of at most importance to Tarding Member as a whole and all its stakeholders. This Code establishes minimum standards of professional conduct and ethical behavior for the Stock Broker (Trading Member) and all associated persons. Trading Member's Code of Conduct shall be in alignment with its values and commitments.

The essence of this code is that each employee should conduct the Company's business in a way that upholds its values and commitments. It operationalizes the Code of Conduct prescribed under Schedule II of the SEBI (Stock Brokers) Regulations, 1992 (as amended) and the applicable Rules/Bye-laws/Regulations/Circulars of NSE, BSE and other Indian exchanges. Where this policy sets stricter standards, the stricter standard shall prevail. This code expects every Trading Members employee and constituent to conduct business with integrity, in compliance with applicable laws, and in a manner that excludes consideration of direct or indirect personal advantage / gains.

#### **III. CODE OF CONDUCT & ETHICS:**

##### **1. Good Corporate Citizenship:**

Member shall believe in corporate social responsibility. All employees & its constituents are expected to follow a good corporate citizenship.

**2. Ethical Standards and Conduct:**

- Every employee of the organization including any associates etc. shall uphold integrity, fairness, and transparency in all its dealings internally and also with all the clients.
- Ensure that everyone in the organizations are in compliance with SEBI and respective Exchange rules and regulations on ensure fair market practices.
- Avoid conflicts of interest and disclose them where unavoidable. Identify, disclose, mitigate and record conflicts (e.g., proprietary trading vs client orders, revenue-linked incentives, research/IA interactions). Maintain a Conflicts Register and client disclosures where applicable. This is an area in which it is impossible to provide a comprehensive code but the guiding principle, is that any conflict or a potential conflict must be discussed with the top management for guidance/appropriate action/s.
- Preserve confidentiality of client information; use only for authorised purposes; implement access controls, encryption and secure handling in line with exchange cyber and SEBI CSCR expectations.

**3. Legal Compliance:**

It is a policy to be fully comply with all applicable laws, rules and regulation/s. Thus, member shall not accept practice/s which are unlawful or which may damage its reputation.

**4. Transparency & Auditability:**

It is strongly believed that all its employees undertake to conduct all the business transactions of the company and take all decisions which are relevant to their function, in a transparent and reasoned manner keeping in mind, the established norms of confidentiality and secrecy which are necessary to protect the business and competitive interests of the company. The employees shall endeavor to create an internal communication network in their spheres of operation and activity, which is transparent and unhindered by levels in organizational hierarchy. Such transparency would be continued to be developed through appropriate system mechanism, involving more than one manager in key decisions making and maintaining supporting records. Similarly, it is expected that each one should ensure that the operational areas are open to audit systems and procedures and conduct of activities auditable.

**5. Ethical practices:**

Revenue opportunities should not take priority over protecting the Organization's reputation. Act with integrity and honesty in all circumstances and at all times. Follow all rules, laws and regulations applicable from time to time. Ensure that compliance with SEBI, company's internal policy and other governing bodies are adhered too.

**6. Maintenance of confidentiality:**

The company shall ensure and shall emphasis that all its Directors, Senior Management team members and other employees shall maintain the strict confidentiality in respect of its confidential information or that of any clients,

investors or suppliers or any other business associate of the company, except when such disclosure is legally mandated or/is authorized and required to be disclosed. Similarly, the use of any confidential information for one's own advantage/profit is strictly prohibited. Compensation paid by the company to its employees is also a strictly confidential matter and no one is expected to discuss it with their colleagues or outsiders. Any breach of this confidence will be viewed seriously by the Management, warranting disciplinary action including suspension from service.

**7. Prevention of money laundering & fraud:**

Company and all its employees / directors / KMP and associates shall comply with local laws and regulations on money laundering and fraud prevention. Money laundering is used to disguise or launder the proceeds of criminal activity. This undermines the organizations integrity, damages its reputation, deters honest customers and exposes it to severe sanctions. Standards shall be designed to protect the organization from doing business with customers involved in criminal activity. Fraud involves obtaining a benefit, often financial, by deception. Fraud is a cost to our business and in serious cases can affect our reputation.

**8. Integrity in financial accounting:**

All accounts and records shall be documented in a manner that clearly describes and identifies the true nature of business transactions, assets, liability, income and expenditure. No record or entry or document shall be false, distorted, misleading, misdirected, and deliberately left incomplete or suppressed.

There is no room for:

- Improper or fraudulent accounting
- Documentation or financial reporting contrary to company's policies
- Intentional wrong accounting / misclassifications and miscalculations

The company shall established internal control standards and procedures to ensure that assets are protected and properly used, financial records/reports are accurate and reliable. The company shall share the responsibility for maintaining and complying with required internal controls. Improper accounting and documentation and fraudulent financial reporting shall not only be contrary to the company's policy but also shall be in violation of relevant rules, laws and regulations. Every penny lost due to embezzlement is a cost to the organization, thus affecting the profitability and growth, not only of the company but every individual working hard for this growth.

**9. Reject Bribery & corruption:**

- Do not give or accept bribes or engage in any form of corruption. Do not offer or make any kind of unofficial or unorthodox payment or benefit to government/private bodies officials or others with decision making power over the organization
- Do not offer to pay a customer or potential customers for their business. Do not accept any kind of unofficial or unauthorized payments or benefits.

**10. Complaint handling:**

- Ensure that all complaints if any received are resolved quickly, fairly and recorded appropriately.
- Customers who have complaints dealt with in a swift and timely manner are often more loyal than those who have encountered no problems at all.
- Customer complaints must be dealt in, courteous, efficient and timely manner and in accordance with the organization policy and as per maximum timelines as prescribed by the respective authorities.

**11. Protection and Proper use of company's assets:**

The company shall expect that each and every one using company's asset/s shall ensure its proper usage and ensure the protection of the assets, as well. Theft, carelessness and wastages of the assets and property would have a direct bearing on company's profitability. Company's assets shall be used only for legitimate business of the organization. It is the primary responsibility of each employee to protect and properly utilize the company's assets/resources including proprietary information. Usage of electronics resources is an integral part of business. Company expects that electronic resources would be used for business purposes only and would be used in ethical, effective and lawful manner. The company's employees are also expected to refrain from using office assets and properties for personal work.

**12. Insider Trading of Shares:**

Company shall have in place a Code of Conduct for prohibiting the insider shares trading. All persons who are in possession of any price sensitive information are required to maintain stricter discipline while dealing with such information. Insider Trading includes giving tips to another person or dealing on behalf of relatives, friends or any other third parties based on insider information. Due compliances are required to be made as per the said Code in force at the organization level.

**13. Public / Media Disclosures:**

In the course of its business, company shall be required, to arrange filings of various information/data, with SEBI, Stock Exchange/s and other concerned government agency/ies. It is expected that such filing would be made in the prescribed time limit laid down under concerned law/s and/or rules/regulations and the data should be accurate. Similarly, when statement/information which might be given to any media channel, it is expected that due care should be taken while making such disclosures and only true and fair information relating to the company shall be passed on after seeking requisite approval/s and/or guidance from the top management of the company / compliance officer / authorized person. Company seeks to form a constructive and productive relationship with all aspects of media and recognizes that the open communication is essential. Any interaction with various sections of print media/Radio/T.V. shows, etc. shall be carried out only by the authorized Spokespersons of the respective department of the organization and no other employee of company shall be authorized to speak or share any company information with the media without the prerequisite authorization / permission by the company. At local level if any media person is trying to get in touch with anybody kindly and

promptly route the query to the Management or to respective Heads for necessary action. This does not apply to topics which are unrelated to the company and the activities that it is involved in. However, it will be preferred if the employee clears the same with the Management prior to the said interview/press article, radio talk or TV show.

**14. Ownership& Responsibility:**

Every person of the company is expected to imbibe a sense of ownership and responsibility and refrain from playing the "blame- game" - blaming others for missed commitments, bad decisions or poor results. The primary responsibility of the company shall be to attending to the customers who visit its office premises or call must not be left unattended and properly guided to the concerned person even though they you may not be directly responsible for servicing them. In case the concerned person is unavailable, one is expected to understand the basic requirement/query of the customer and ensure that the concerned person is informed of the same for initiating a quick response to the customer.

**15. Avoid Favoritism in the workplace:**

All Departmental / Business Heads /Supervisors must treat each and every employee in their department/unit equally. It is but natural for a manager to trust, respect and depend upon one employee most than another - a result of experience, comfort, common interests, goals or backgrounds. The underlying principles is that each one at the organization level, regardless of their position within the company, shall be expected to work to create an environment where people are valued as individuals and treated with respect, dignity, fairness and equality, thus leaving no room for displays of favoritism.

**16. Avoid gossiping at work:**

It is only natural that employees communicate with other employees, but the company's office shall be no place for malicious rumors / gossip which attack the spirit of any individual.

**17. Avoid Wasting Time:**

Time is an asset and the misuse of that asset is just as wrong as the misuse of any of the assets of the company. Examples of wasting time on the job:

- Taking personal time off and not reporting it.
- Unnecessarily long meal breaks.
- Wasting time at work on computer games, personal business, reading magazines checking personal mails, chats
- Time spent on telephone on personal matters or working during office hours on personal projects.
- Calling outsiders at the work place and conducting personal/ non-Brokers business appointments.



**18. Acts amounting to misconduct relating to duty:**

- Misusing client funds by misleading them on trades
- Absence without leave or any formal prior intimation
- Engaging in work of being a capital market intermediary under the registered name of a family member or associate, without the requisite permission
- Carrying on a part-time employment (with or without remuneration) while on duty without permission of the Company
- Disobedience of orders of the Superior (Insubordination)
- Negligence of duty
- Irregular attendance and / or frequent absence
- Sharing confidential information & leakage of database to outsiders

**Misconduct relating to Morality:**

- Theft
- Dishonesty & fraud
- Disloyalty
- Taking a bribe in any form, from vendors for overbilling the organisation or ensuring continuous business to the vendor
- In any way protecting clients who are defaulters

**Misconduct relating to acts of personal indiscretion or socially unacceptable behaviour**

- Use of abusive / filthy language either in spoken or written communication with clients or any company's employee
- Sexual harassment / physical assault to a co-worker.
- Damaging or misusing the property and / or brand / reputation of Company. Misdemeanour or rowdy conduct in the course of working hours on office premises
- Misbehaviour conducted even outside working hours / office premises directed towards and company employee.
- Preferring a false complaint to the police or any trade unions against the company knowing it to be false with a view to bringing the management into humiliation
- Unreasonable criticism
- Undue show of authority
- Reporting to work in an inappropriate dress or presenting oneself in a shabby manner

**19. Investment Flexibility (SCRR Rule 8 Amendment, May 2025):**

Members shall invest retained earnings in approved avenues without prior exchange approval, subject to compliance with SEBI risk management norms.

**20. Declaration on below important State of Affairs:**

All employees including new joiners are mandatorily required to declare in writing about any of the member of his /her immediate family or relatives, who are associated with the company. They also need to declare the association with any other broking

house if not with the company. Non-adherence to this will be considered as misrepresentation of facts / suppression of vital information under Code of conduct and Ethics policy of the Organisation and necessary disciplinary actions will be initiated which can include even termination of the employment with the organization. Terms and Conditions specified in the Offer Letter & Appointment Letter are binding on all employees, effective from time to time.

**IV. ENFORCEMENT AND DISCIPLINARY MEASURES:**

- Penalties may include monetary fines, suspension, or cancellation of registration.
- Brokers must also establish internal disciplinary mechanisms for employee violations.
- Member need to ensure that any breach of this Code will be subject to disciplinary action by SEBI or respective Exchanges.

**V. CLARIFICATION/INFORMATION:**

In case of any clarification/information required on the implementation of the Policy, please contact the Compliance Officer on Email - \_\_\_\_\_, Tel No. \_\_\_\_\_.

**VI. REVIEW:**

The said policy shall be reviewed by the Board of the Directors on a yearly basis or as and when any update comes change in the Relevant Regulation/Circular comes or any change in the (Name of the Stock Broker)'s internal control or Structure. The Compliance officer has the authority to give direction to undertake additions, changes, and modifications, etc. to this Policy, and the same shall be effective per the authority of the Compliance Officer and thereafter be ratified by the Board of the Directors at its next review.

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