



Northeast Broking Services Limited

Policy & Internal Procedure for managing conflict of Interest

1. Background:

SEBI has issued guidelines vide their circular no. CIR/MIRSD/5/2013 dated August 27, 2013 on dealing with conflict of interest of Intermediaries, depositories (hereinafter collectively referred to as "such entities") and their associated persons in securities Market. SEBI has issued aforesaid circular in line of the Principle 8 of the International Organization of Securities Commissions (IOSCO) Objectives and Principles of Securities Regulations, to collectively cover such entities and their associated persons, for elimination of their conflict of interest.

As per the said circular, the words "Intermediaries" and "Associated Person" shall carry the same meaning as defined in SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007.

In view of the above, the meaning of "Associated Person" and "Intermediaries" are provided hereunder:

- "Associated person" means a principal or employee of an intermediary or an agent or distributor or other natural person engaged in the securities business and includes an employee of a foreign institutional investor or a foreign venture capital investor working in India;
- "Intermediary" means an entity registered under sections 11 or 12 of the SEBI Act, 1992 and includes any person required to obtain any membership or approval from a stock exchange or a self-regulatory organization; therefore in view of the above all employees, agents (sub broker and AP), distributors engaged in securities business will be covered under this policy.

2. Objectives:

- To identify and avoid or to deal or manage actual or potential conflict of interest of Intermediaries and Associated Person in securities market.
- To develop an internal code of conduct governing operations and formulate standards of appropriate conduct in performance of entities activities.

3. Guiding Principles of the Policy:

All employees and Associated Person/s with the Company covered under this Policy shall adhere to following principles and practices to avoid conflict of interest at all points:

- a. To maintain high standards of integrity in the conduct of business at all times.
- b. To ensure to communicate policies, procedures and code to all concerned.
- c. To ensure fair treatment of clients and not to discriminate amongst them;

- d. To ensure that Company's personal interest does not, at any time conflict with our duty towards our clients and clients' interest shall always takes primacy in our advice, investment decisions and transactions;
- e. To make appropriate disclosure to the clients of possible source or potential areas of conflict of interest which would impair our ability to render fair, objective and unbiased services;
- f. Endeavor to reduce opportunities for conflicts through prescriptive measures such as through information barriers to block or hinder the flow of information from one department/ unit to another, etc.;
- g. To place appropriate restrictions on transactions in securities while handling a mandate of issuer or client in respect of such security so as to avoid any conflict;
- h. Not to deal in securities while in possession of material non published information;
- i. Not to communicate the material non published information while dealing in securities on behalf of others;
- j. Not to contribute in manipulating the demand for or supply of securities in the market or to influence prices of securities;
- k. Not to provide incentive structure that encourages sale of products not suiting the risk profile of clients;
- l. Not to share information received from clients or pertaining to them, obtained as a result of our dealings, for our personal interest.

4. Effective Mechanism:

All are advised to adhere to various principles stated hereinabove to avoid any conflict of interest situation. Further, Board of directors of the Company will endeavor from time to time to put in place effective system in place for proper implementation of this circular. Board from time to time will also provide necessary guidance enabling identification, elimination or management of conflict of interest situations and shall review the compliance of this circular periodically.