

# Code of Conduct

Version 1.0



**NATIONAL COMMODITY & DERIVATIVES EXCHANGE LTD.**

**Employees and other stakeholders of the NCDEX Group have a commitment to respecting and protecting our business and brand in all its forms, since the trust that we have inspired and expect to continue to inspire will be based on our own individual attitudes, actions and expressions.**

Our Code of Conduct reflects our core corporate values of:

- **Partnership:** Collaboration is the key to long-term growth and we pride ourselves on being partners who fully engage with our wider ecosystem
- **Integrity:** This underpins all that we do and is grounded in our unshakeable commitment to building world class markets based on trust and transparency
- **Innovation:** Ambitious and forward-looking, we are market innovators, driven by fresh thinking, that has kept us abreast of and ahead of the changing landscape

The Code of Conduct aims to guide all employees on how we should behave and tackle any difficult decisions and situations we may find ourselves in. They commit us to:

- Behaving ethically, with integrity and honesty
- Competing fairly
- Working in partnership with our customers and avoiding conflicts of interests and abuses of power
- Providing high quality products and services and value to customers
- Treating colleagues fairly and with respect
- Dealing with business partners fairly
- Managing the company with the highest standards of corporate governance and best practice

The Code of Conduct articulates our determination in providing fair and equal employment in a healthy and safe workplace, safeguarding the environment and making a valuable contribution to the communities in which we operate. Our reputation and the people who work at NCDEX are our most valuable assets.

## 1. Preamble

The Exchange is committed to maintaining the highest level of public trust and confidence. It has earned a reputation for integrity, honesty, transparency and fairness and considers this reputation to be its most valuable corporate asset. The Exchange recognizes that its reputation hinges on the adherence of its employees and other stakeholders to the highest standards of ethical behavior and professionalism in the performance of their duties.

The Code of Business Ethics and Employee Conduct (the "Code") sets forth a summary of the common standards we have established for the Company, its directors and employees. The Code is designed to promote the values and principles it embodies and to deter any wrongdoing. The Code is crucial in ensuring that our employees - as well as the public at large - are aware of the standards we have set for ourselves. All employees are personally responsible for compliance with the Code, and failure to comply with its provisions is grounds for disciplinary action, which may include dismissal, and referral to the relevant governmental authorities and other regulatory bodies, where appropriate.

Regarding any course of conduct not specifically addressed in the Code, employees are instructed to consult their supervisors or an appropriate representative of the Legal or Compliance Departments, but ultimately, they are responsible for using good judgment and acting in a manner consistent with the spirit, principles, and values embodied in the Code.

The Exchange is keenly aware that the trust of its varied stakeholders is critical to sustaining its long-term strength and growth. We want our customers to know that they have chosen the best possible partner for their own business success; we want our shareholders to know that their investment is in skilled and capable hands; and we want our employees to know that our organization offers a fulfilling and stimulating environment to work.

The nature of our business demands that we are focused on maintaining our reputation for acting openly and honestly in all our business dealings and treating all

of our stakeholders including our customers, shareholders, directors and employees as valued partners in our business. We also have a responsibility to our wider stakeholder group including regulators, policy makers, market participants, corporations and the public.

This code of conduct reflects how we should think and feel about doing business and how we distinguish ourselves as an outstanding business entity.

## 2. OBJECTIVES

The objective of the Ethics and Code of Conduct policy is to set out the ethical and behavioral framework which should govern the functioning of the Exchange. It forms the basis of all employees' interactions internally and externally.

The purpose and objective of the Code of Conduct is to:

- communicate to all employees the framework within which we expect our business to be conducted;
- provide consistency of approach to all our operations;
- promote open and honest conduct including fair dealing and ethical handling of conflicts of interest;
- promote compliance with applicable laws and governmental rules and regulation; and
- ensure the protection of the company's legitimate business interests;

The Code of Conduct policy is not intended to be a comprehensive description of all factors that impact the quality of our professional and personal behavior; but it can be and should be used as the broad Ethical Framework in which we all operate in. All directors and employees of NCDEX are expected to be familiar with the Code of Conduct and adhere to the principles set out within the policy. This Code of Conduct complements our organization's behavioral framework and our brand guidelines.

### **3. SCOPE & APPLICATION:**

This Policy applies to NCDEX and all entities and operations within the NCDEX Group. All directors and employees, including temporary or contracted employees and employees on deputation shall comply with this policy.

#### **4. STAKEHOLDERS**

##### **Customers**

We shall understand, meet and strive to exceed the needs and expectations of our customers. We are committed to a partnership approach with our customers, working to understand their needs and their business aspirations. We are committed to providing value for money, high quality, consistent and reliable services and recognize this as a prerequisite for a successful, innovative and sustained business relationship. We shall treat all customers fairly, openly and honestly.

##### **Shareholders**

We seek to enhance shareholder value and provide superior returns in a way which is consistent with our Ethics and Code of Conduct and recognize that the wealth generated by our operations also benefits customers, employees and the larger community in which we operate.

We conduct our business in accordance with the principles of good corporate governance. By communicating with and listening to our existing and potential investors, we seek to forge long-term relationships based on mutual understanding, integrity and trust.

We are committed to providing timely, regular and reliable information on our activities, strategy, financial performance and likely prospects. This includes keeping accounting records which accurately disclose the financial position of the business, and publishing financial statements which ensure transparency of financial information of the Company's financial performance.

##### **Employees**

Our employees are our most valuable asset and are fundamental to the success of our business. We want our employees to feel proud of working for the Exchange which is committed to providing a safe, fulfilling and stimulating work environment



that encourages employees to deliver to their full potential, develop and enhance skills and knowledge for the benefit of the business, our customers and themselves.

Attracting and retaining talent of a high calibre is critical to our success and our remuneration and incentive systems are designed to provide a clear link between performance and reward. Maintaining a working environment that provides training and development opportunities for personal development also forms an important part of our commitment to our employees.

### **Business partners & suppliers**

We are committed to establishing mutually beneficial relations with our vendors and business partners and we honor and enforce the terms of the contracts to which we commit. We conduct our operations with integrity and in accordance with the principles of fair competition and will not tolerate the offer or acceptance of any gift, hospitality or other inducement designed to influence unduly a decision. The giving and receiving of legitimate gifts or hospitality must be transparent and reported in line with our gifts and hospitality policies. We strive to do business only with organizations that uphold similar business principles.

### **Regulators**

NCDEX operates in a highly regulated environment and is committed to total compliance with the regulatory and legal framework.

NCDEX is committed to promote and maintain an orderly market structure that balances the needs of our diverse market participants and provide transparency and protection for investors. Our regulatory, strategy and legal teams are responsible for ensuring that our regulatory and legal obligations are understood and complied with in every area of our business. We cooperate openly and proactively with our regulators.

## **Community**

NCDEX strives to be a “good neighbor” to its community and endeavors to be sensitive to the cultural and social principles of the society in which we conduct business. We see ourselves as partnering with our society in much of what we do and we contribute directly and indirectly to the society’s general well-being. Our activity and role in the economy means that our commitment extends beyond standard Corporate Social Activities.

## **5. ETHICAL PRINCIPLES**

In order to maintain our reputation, every employee is expected to maintain the highest standards. This section sets out the behaviors that are expected of everyone in NCDEX and is designed to help directors and employees interpret and implement the values and sentiments expressed above.

### **Integrity and Honesty**

Integrity and honesty are the heart and soul of our business. Accordingly, we expect our directors and employees and also our business partners to maintain the highest standards in respect of integrity and honesty in everything they do.

We conduct our business in a manner that is ethical, compliant with legal and regulatory requirements, and endeavor to avoid even the appearance of impropriety. We do not give or receive, either directly or indirectly, bribes or other improper advantages for business or financial gain.

### **Professional Behavior**

We expect all our directors and employees to behave professionally. All our directors and employees shall comply in letter and in spirit, with the statutes and regulations that are applicable to us.

Over and above this, all our directors and employees should strive to behave in a manner that is fair and just, rather than just complying with minimum legal standards. We expect our director and employees to avoid any behavior, even in appearance that might adversely impacts the reputation of NCDEX. We expect all employees to be courteous, considerate and professional in all their work or work related activities. We also expect these standards of behavior to apply to the personal lives of all directors, officers and employees to the extent these could have any impact on the reputation of NCDEX.

### **Conflicts of interest**

Both as a company and as individual directors or employees, we avoid or declare conflicts of interest that may lead (or be seen to lead) to divided loyalties, either now or in hindsight.

Conflicts of interest may arise when a director or employee has:

- Outside business activities or directorships which detract from the individual's ability to devote adequate time and attention to NCDEX or conflict with their role or the objectives of NCDEX.
- Significant ownership or interest in a vendor, service provider or customer

### **Insider dealing**

By nature of our work, employees or directors may have access to information that is price sensitive. Employees and directors are prohibited from trading on the basis of such information or from enabling others to trade on the basis of such information. This is in terms of our Commodity Trading Policy.

### **Fair business practices and business relationships**

NCDEX is committed to succeeding through fair business practices and shall not use unethical or illegal practices to gain competitive advantage. Directors and employees should deal fairly with customers, partners, vendors, competitors and other directors and employees. We always behave with integrity and never take unfair advantage through manipulation, misrepresentation, concealment, harassment, abuse of confidential information or any other unfair practice.

When selecting vendors or partnering with external stakeholders, we base our decisions on an objective business rationale and not personal interests or bias.

## **Competition**

We believe in fair and vigorous competition. We strongly believe that our customers and business partners and the market in general will benefit from such competition and endeavor to meet such competition by product innovation, out of the box thinking and constant upgradation of our in-depth knowledge of our products and services. We shall endeavor to understand and fulfil not only the needs of the market but also to exceed their expectations in every way.

In competing for business, we do so fairly, ethically and in a way that fully complies with all applicable laws and regulations. Our directors and employees shall not offer or accept gifts or bribes or undertake inappropriate activities to facilitate business.

## **Equal Opportunities & Diversity**

We value diversity and fairness in the workplace and recognize that they create a productive and creative environment that is good for our business, allowing us to meet the challenges of the competitive market in which we operate.

We recruit, employ, promote and reward employees primarily on the basis of the qualifications, experience, abilities and competencies required for the role. We seek to attract, retain and motivate people from diverse backgrounds and perspectives.

We shall never tolerate bias, discrimination, intimidation or harassment of our employees or directors.

## **Confidentiality**

Our employees constantly receive confidential information of various kinds as a routine part of our work. We shall never disclose confidential information, except where required by law or regulation, or use such information improperly or for personal or third party benefits.

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**Political / Governmental Activities**

We take our public policy responsibilities very seriously and engage with government, regulators and policy makers in a totally neutral manner in order to make our position known on any matters that affect us, our directors, our employees, our customers, our shareholders or the markets in which we operate. NCDEX is a totally apolitical organization and we do not make payments or provide other direct or indirect support or affiliation to any political party.

While we respect the rights of individuals to hold personal political views, however, employees shall not allow their political views to affect their behavior or decisions at work nor should they represent or construe their views to be view of NCDEX.

**Disclosure**

NCDEX is committed to full, fair, clear, accurate and timely public communications including all financial and regulatory reporting. Only authorized employees shall make public communications on behalf of NCDEX.

All directors and employees involved within public communication shall comply with the NCDEX Policy for dissemination of information to media and members. Directors or employees involved with the disclosure process shall not knowingly cause others to misrepresent facts about the Group to others, whether within or outside the company.

The Group is committed to delivering the highest standards in financial transparency in the preparation of annual and other reports. We shall not maintain unrecorded accounts, assets or liabilities, nor knowingly evade tax and other fiscal obligations.

**Protection and proper use of assets**

All directors and employees shall protect the Company's assets and ensure their efficient use. Company assets should be used for legitimate business use. Directors and employees are permitted incidental personal use of NCDEX communications systems provided this does not breach company policy.

## **6. OWNERSHIP & REVIEW CYCLE**

The ownership of this Policy shall vest with the Chief Compliance Officer.

The Ethics and Code of Conduct Policy is required to be reviewed by the Ethics Committee for continuing relevance and applicability. The review process will be undertaken at least on an annual basis. More frequent reviews may be undertaken on a need basis, when internal or external events indicate the need for such review, e.g., material events within the market or regulatory changes.

This Policy and any subsequent review thereof shall be approved by the Board.