

# **CODE OF CONDUCT & BUSINESS PRACTICES ETHICS**

All Staff Members of the **Pakistan Stock Exchange Limited** (the Exchange) are obliged to act in accordance with the highest standards of personal and professional integrity in all aspects of their employment, in addition to the applicable laws, regulations and policies of the Exchange (the Policies). Once an employment contract is executed by any employee with the Exchange, it becomes accountable for compliance with the governing laws, Code of Conduct and Business Practices Ethics of the Exchange and the Policies, which include the SOPs and policies of our respective operating units.

Acceptance and compliance of the Code of Conduct and any change therein are mandatory to remain in the Employment of the Exchange. The Employee may approach his/ her Manager or Human Resources Department; in case any clarity is required.

The terms used in the Code of Conduct are defined herein and shall constitute the same meaning, with no variance.

**Confidential Information:** Confidential Information means the proprietary and other sensitive information of the Exchange which is not generally known to the public and came into the knowledge of the Employee, directly and indirectly, due to his employment with PSX. Confidential Information shall not be considered generally known to the public if revealed improperly to the public without the express written consent or the Exchange and/or in violation of an obligation of confidentiality. Confidential Information may include but not be limited to the business plans, business processes, member/broker lists, Employee's information, other non-public information received in the course of employment about companies, and technology or systems in place.

**Employee:** It includes all permanent, contract and third party employees of the Exchange.

**Policies:** All policies and Standard Operating Procedures of the Exchange.

HODs: Head of Departments

Dependents: Spouse and Children



# **REPORTING ACTUAL AND POTENTIAL INFRACTIONS**

If an Employee suspects a possible violation of the law, regulation or PSX ethical standards or if he/she believes that he/she is being asked to do something that is improper or illegal, the Employee shall promptly report the suspected violation or concern to his/ her Manager or Human Resources Department PSX prohibits any retaliatory action against any employee for raising legitimate concerns or questions regarding these matters or for reporting suspected violations. Therefore, the identity of any such person will not be disclosed, without consent.

Staff Members are required to fully cooperate with duly authorised internal and external investigations.

# **PROPRIETARY AND CONFIDENTIAL INFORMATION**

The Employee shall never disclose, directly or indirectly, proprietary and confidential information of PSX, its members, brokers and suppliers to anyone or to anyone else except as authorised by the applicable law (e.g., to supervisory regulators), appropriate legal process (e.g., a subpoena), or appropriate authorities of PSX. This obligation of the Employee shall survive termination or suspension of the Employment.

### PRIVACY OF INFORMATION

While information is the cornerstone of the Exchange's ability to provide transparency, a very important aspect is the trust of stakeholders, particularly companies listed on the Exchange. Keeping information secure is a top priority. Every Employee must safeguard, according to strict standards of security and confidentiality, any confidential information stakeholders share with PSX.

## <u>TRADING</u>

The Employee is prohibited to do trading in products/ instruments listed on the Exchange, directly or indirectly (via dependents) while in the employment of PSX.

If an Employee has made any investment before joining PSX, the Employee shall formally report the facts/ portfolio to the Compliance and HR Departments in writing while keeping the respective HOD in loop.

Employee investment is subject to monitoring by Compliance in general and for any potential insider trading in particular. The Exchange reserves the right to investigate the Employees' and his/ her dependents UIN at any time and for any period to check adherence to this policy, and will also do so on a random check basis. Strict disciplinary action will be taken for non-compliance.

Investment is only allowed in Mutual Funds and ETFs without prior approval but with disclosure requirements.



# **CONFLICT OF INTEREST**

The Employee shall not use his/her position, designation and employment with the Exchange to take undue benefit for him/herself or his/her dependent family members.

The Employee shall not use resources of the Exchange for any purpose other than for Exchange's lawful business, regardless of the material value of the resource.

The Employee shall notify and get written approval from the Compliance Department if he/she or a dependent family member owns or controls property of significant value that is being purchased or leased by PSX.

The Employee shall notify the HR Department of any business relationship or proposed transaction, which he/she may have with any company in which he/she or their dependent family have direct or indirect interest or which may give rise to the appearance of a conflict of interest.

The Employee shall refrain from engaging in or be connected or interested in any profession, outside business interest or additional employment which could in any way interfere with the proper performance of normal duties or which in any other way could give rise to a conflict of interest.

The Employee shall not take/ accept Appointments on the Board of Directors of other companies except the Senior Executives who are allowed to serve as directors on the boards of not-for-profit companies (unlisted) where CEO will review and approve such requests in light of potential conflict of interest and feasibility of being engaged in activities other than PSX. An employee is not allowed to hold more than two (02) directorships at a given point in time.

## MEDIA, PUBLISHING AND PUBLIC APPEARANCES

The Employee is not allowed to provide any corporate information to outsiders, unless he/she is authorised to do so.

The Employee shall, before publishing any material, making speeches, giving interviews, or making public appearances that are connected to business interests that may reflect on PSX, must inform Marketing Department of the Exchange in writing and get clearance, so that no sensitive material is inadvertently disclosed.



### **GIFTS AND ENTERTAINMENT**

### **Accepting Gifts**

The Employee shall not accept, or allow his/her dependent family members to accept gifts, services, or preferential treatment from anyone – listed or prospective company, suppliers, TREC holders or others - in return for a current or future business relationship with PSX. Under no circumstances may a gift be accepted for making or renewing a contract/agreement or accepting any notes, checks, or similar items.

Exceptions to this general prohibition on gift policy may be made for non-cash gifts of very nominal value (generally less than PKR 5,000/-), and for items that can be reciprocated, such as the occasional business meal. Regardless of the value, all gifts must be reported in writing to Human Resources Department.

### **Giving Gifts**

The Employee shall not offer or make payments, or provide other inducements or lavish entertainment to stakeholders or to anyone else in order to derive any benefits. The Employee shall abide by the general rule to 'avoid giving gifts or anything of value that could be construed as a "gift in kind'.

#### FAIR EMPLOYMENT PRACTICES

PSX believes that diversity in our staff is critical to our success as a leading financial institution, and we seek to recruit, develop, and retain the most talented people from a diverse candidate pool. Every Employee can advance at PSX, based on his/her talent and performance and without regard for race, origin, gender, or religion. We are fully committed to equal employment opportunity and compliance in letter and spirit of the full range of fair employment practices and nondiscrimination laws. PSX will not tolerate discrimination of any kind against any employee or applicant for employment, for any prescribed reason.

### HARASSMENT AND INTIMIDATION

Workplace harassment of all sorts and degrees are repugnant and completely inconsistent with our tradition of a respectful, professional and dignified workplace. PSX prohibits all kinds of harassment or intimidation, whether committed by or against a staff member, existing or potential members, investors, vendors, or visitors, and the same shall be dealt with as per the governing laws and Company's policies.

### DRUG-FREE WORKPLACE

To meet our responsibilities to Members, Staff Member, visitors and investors, PSX must maintain a healthy and productive work environment. Misusing controlled substances or selling, manufacturing, distributing, using, or being under the influence of illegal drugs on the job is prohibited.



# SAFETY IN THE WORKPLACE

The safety of the people in the workplace is a primary concern of PSX. Each Employee must comply with all health and safety policies and exhibit sound judgement to ensure safety of his/her colleagues.

### PROTECTING CORPORATE ASSETS

The Employee is under obligation to safeguard both the tangible and intangible assets of PSX and its stakeholders that are under his/her control. Company assets must not be used for personal benefit except where permitted by PSX.

The Exchange's telephone, e-mail and voice-mail systems are for business purposes. The Employee shall ensure that his/her personal phone calls are kept to a minimum and kept short, during the office hours. Personal phone calls should only be made for important and emergency matters. Similarly, the mail/ e-mail facilities should not be used for personal purposes.

The misappropriation of corporate assets would constitute a breach of duty and would be considered an act of fraud.

## ACCURACY OF COMPANY RECORDS AND REPORTING

The Employee shall ensure that the records, data and information owned, used and managed by him/her must be accurate and complete. The Employee shall be liable for making false or misleading statements to anyone, including internal or external auditors, other PSX Staff Member, or regulators. The Employee shall not withhold or fail to communicate information that should be brought to the attention of higher levels of management.

## **CLEAN DESK POLICY**

The Employee should ensure that his/her desk is tidy and neat before leaving the office and ensure that all the drawers and cupboards are securely locked.

## **SMOKING**

Smoking, chewing of pan or gutka is not allowed inside the office building.

## CHANGE IN PERSONAL CIRCUMSTANCE

In order to maintain up-to-date records, the Human Resources Department must be informed of all changes in personal information including address or telephone number, marital status, person to be notified in case of emergency, beneficiary or number of dependents, etc.

)