NAME OF THE STOCKBROKER

DEALING ROOM 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.

TABLE OF CONTENTS:

DEALING ROOM POLICY

I. INTRODUCTION:

This Dealing Room Policy has been set to describe the internal and operational controls of _____(Name of the Broker) for its Dealers who receive/ place orders on behalf of the clients as per the instructions received from the respective client over the phone or any other mode of communication as prescribed by the SEBI and or respective exchanges and/or provide services and interact with the clients to ensure and adhere the necessary compliance and discipline of the Dealing and Client Service Departments. The Policy is designed to prevent misuse of market-sensitive information, front-running, unauthorized trading and to ensure integrity of trade execution and client order handling.

This Policy and Procedure is a standard document and subject to change or amends from time to time as per change in Rules & Regulations of the SEBI/Respec1ive Exchanges/ any other Government Authority.

II. OBJECTIVE:

The purpose of this policy is to ensure adherence to the best practices in the Dealing Room(s) and Client Service Desks related to the responsibilities, code, and conduct of the Dealers/Relationship Managers/Sales Personnel/ Customer Care Employees. Four very basic reasons necessitate written policies and procedures:

- **Operational needs** – Policies and Procedures ensure that all employees are expected to observe high standards of integrity and fair dealing in dealing with the clients at all times. The client should always be dealt with honestly and fairly.
- **Risk Management** - Established policies and procedures create an environment that ensures control activity needed to manage risk.
- **Continuous improvement** – To improve processes by implementing a Plan-Do-Check-Act approach by building important internal communication practices.
- **Compliance** - Well-defined and documented processes can demonstrate an effective control system compliant with regulations and standards. All employees of the (Name of the Broker) are required to follow the policy and any directions given thereunder.

III. GOVERNANCE & RESPONSIBILTY:

1. The Board of Directors shall approve the said Policy and any subsequent changes thereon.

2. Principal Officer is responsible for overall governance and for ensuring adequate resources for implementation.

3. Compliance Officer monitors adherence to policy, conducts periodic checks and submits quarterly reports to the Board.

4. Dealing Head is responsible for day-to-day compliance within the dealing room and ensuring adherence of staff for the same.

IV. MINIMUM REQUIRMENT FOR DEALER'S:

The Dealers shall regularly update themselves and shall endeavour to have valid NISM Certification for operating Terminals at all material times. The User Id should also be in the name of the dealer himself/herself who is operating the terminal. If there is any resignation/ leave etc. the User Id has to be changed in the name of the actual person operating the terminal who should also have valid certification.

The Dealer operating the terminal shall provide the details in the prescribed format to the Compliance Officer and/or Risk Management Officer through email along with the scanned/hard copy of the passing certificates before operating the terminal. On receiving the same, the department shall allow the User name & 12/16-digit CTCL no. as prescribed by exchanges depending upon the details & location of the terminal & shall upload the details in ENIT / BEFS system of NSE & of BSE respectively.

On successful uploading of the ID details to the exchange, the same shall be mapped in the risk system. On completion of the same, Risk Management Officer shall send a confirmation to the approved person to use the terminal for placing orders through designated email.

Every dealer is expected to improve on his/her existing skills; to reduce punching errors to a minimum and particularly learn, know and understand the regulations as applicable to trading and dealing. Every dealer is expected to provide best execution in terms of price, timing and quantity.

The dealing room is a restricted area where the dealers and authorized officials only are permitted.

V. DEALING WITH CLIENT FROM DEALING ROOM:

Mobile phones are not permitted in dealing rooms.

All calls telephonic calls shall be compulsorily recorded. The Mobile phones are required to be kept in Silent Mode preferably in a Locker. Also, recorded calls by dealers/Client Service Desks shall be regularly monitored by Compliance Department. There shall be proper storage and retrieval mechanism in place for the recordings done. It shall be stored in tamper-proof media and under the custody of authorized personnel. No

personal calls should be made through dedicated phone lines of the dealing room or Client Service Desks.

The Dealers shall not receive any orders from clients other than on recorded telephonic lines other than walk in client or through registered email. The same shall apply to all branches/Authorised Persons/franchisees & proper backup mechanism shall be in place.

The Dealer shall execute orders placed by the clients, upon his/her instructions upon receipt of Orders from the Client(s) over Dedicated Land Line Numbers (not Over Mobile Phones), registered e-mail-id of the Client, upon the visit of the Client to the Branch. Upon receipt of the Order, the Dealer shall call back the Client at the recorded Telephone Number to reconfirm the Order. In case of telephonic placement of orders, the dealer shall request the Client to confirm the identity of the client such as Client Code/PAN No./Date of Birth/Address, etc. and thereafter when the dealer is satisfied with the identity of the client, he/she shall place such orders on the trading terminals. Client orders receipt and order modification/cancellation and trade confirmation can be done only through recorded telephonic lines. The same shall apply to all branches/Authorised Person /franchisee locations.

The Dealer shall be cautious while dealing in the scrips where circuit filters are kept opened or in cases of relisting of scrips. The details of such scrips shall be provided by the Compliance Department to the Head of Risk Department/Dealing Department through the mail.

The Dealer is to be cautious while dealing with walk-in clients. The clients specifying the scrip, quantity, rate, limit/market order before placing the orders should be recorded in writing.

Upon execution of the order, the Dealer shall call up the client to confirm the trades executed by him/her for the said client immediately upon execution of the order on their recorded contact numbers for confirmation of trade including all the details of trade such as rate, exchange, buy/sell, quantity executed/not executed/partially executed, scrip name, limit/market order, product name (Margin). During the Trading session, the Dealer shall call up the clients at regular intervals to inform the Client about their Net Positions, MTM Position, and Obligations arising out of such trade. In case of order & trade confirmation w.r.t. F&O, confirm expiry date, put/call, strike price, buy/sell.

If there is any client code modification, the same shall be done at the order level (not at the trade level) on the trade date, post market hours.

The trade modifications request shall be considered by NSE till _____p.m. and by BSE till ___p.m. on the relevant trading day as per exchange.

Bulk/Block deals executed should be informed to the Risk Department by sending an email to the nodal person. The details shall include the name of the client, scrip name, quantity, rate, buy/sell order value. The same needs to be checked on the BOLT system.

In case of any trade error, it should be immediately reported by the Dealer to their respective reporting authority by email specifying the details of errors i.e name of the scrip, client codes, quantity, rate, buy/sell order with cc to Compliance Officer immediately on discovering the error.

Dealers are required to have screen saver passwords. If the dealer is moving out of the seat, the screen should not be accessed without the password. They shall ensure that if any client enters into the dealing room, no access shall be provided to them for operating the terminals.

Visitors, auditors or others require pre-approval and must be accompanied; visitors' access and duration must be logged.

Dealing room shall remain a controlled area with access logs (electronic card/fingerprint).

Any remote dealing must be expressly pre-approved, use (Name of the Broker) -approved secure channels (VPN + MFA), and comply with additional controls (recording, screen capture). Remote dealing is permitted only under documented contingency procedures.

VI. IT CONTROLS & TRADE SYSTEMS:

- **Authorized Systems Only:** Only exchange-approved trading terminals and firm-approved software may be used inside the dealing room.
- **Internet Access:** Internet access within the dealing room shall be restricted and allowed only for trade-execution related functionalities. Non-essential browsing is blocked.
- **Algorithmic & DMA Controls:** For Algo/DMA access, policies for order tagging, algorithm registration and exchange approvals (as applicable) must be implemented and monitored.
- **System Resilience:** Business continuity and disaster recovery procedures must be maintained, including alternate dealing locations, backup communication lines, and periodic testing.
- **Logging & Timestamping:** All trading systems must log actions with synchronized timestamps (NTP) and preserve system logs per retention policy.

VII. RECORD MAINTENANCE AND AUDIT TRAIL:

The (Name of the Broker) shall maintain call logs for all incoming and outgoing calls of the Dealing/Client Service Desks up to a minimum period of five years or as instructed by the compliance department from time to time. It should be maintained all Trade and Order files on a daily basis and backup should be saved on Hard Drive.

Audit trails must capture order origination, time of receipt, identity of client, dealer identity, time of order entry, time of execution, allocations, cancellations and modifications with reason codes.

Records must be produced to SEBI/Exchange regulators within timelines specified in notices or circulars.

VIII. COMPLIANCE WITH LAWS, RULES AND REGULATIONS:

Dealers/ Relationship Managers/ Sales Personnel/ Customer Care Executives shall be aware of the policies on Prevention of Money Laundering and Circulation of unauthorized news provided to all the employees and report any violation observed to the Compliance Officer. They should immediately raise the concern if any suspicions arise at the time of placing orders, to the Compliance Officer by sending an email.

If any discrepancies are observed or any mistakes are detected, the Dealer shall immediately inform the Branch Manager/Relationship Manager/RMS Officer/Compliance Officer who shall take necessary steps as per the Policies.

Dealers should specially note that their conduct is a very pertinent and important factor for determining violation of SEBI (Prohibition of Insider Trading) Regulations and SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations.

Insider trading and Front Running is strictly prohibited.

IX. PERSONAL RECOMMEDATION:

The Dealers/Relationship Managers/Sales Personnel/Customer Care Executives should not give their recommendations to the clients. The Dealers/Relationship Managers/Sales Personnel/Customer Care Executives should take reasonable steps to give clients sufficient and comprehensible information concerning investment to enable them to make a balanced and informed investment decision. Research recommendations should be based on thorough analysis and should take into account available alternatives. Research recommendations should only be made if there is a reasonable basis, which can be substantiated through publicly available information [e.g., company reports, published research, etc.). Research and other materials marked "For Internal Use Only" should not be distributed outside the (Name of the Broker).

X. CONFLICT OF INTEREST:

The Dealers/Relationship Managers/Sales Personnel/Customer Care Executives should at all times avoid any actual or apparent personal conflict of interest with the clients. The

employees must not enter into a personal business or financial arrangement. In particular, the employees must not directly or indirectly:

- ✓ Act personally as a custodian for a client's securities, money, or other property;
- ✓ Deposit funds, endorse or cash a client's cheque in a personal account;
- ✓ Borrow from or lend to clients any money or securities;
- ✓ Maintain a joint account with any client;
- ✓ Give a guarantee to a client orally or in writing against loss or level of performance in on account;
- ✓ Participate in the profits or losses of any client's accounts or any other benefit resulting from o transaction;
- ✓ Rebate or share any part of your compensation as an employee of the (Name of the Broker) or pay such compensation, directly or indirectly, as a bonus, commission, fee or other consideration for business sought or procured;
- ✓ Receive or accept, or permit any member of his/her immediate family to accept, any gifts, gratuities or other favors from any client or other person, other than items of nominal value. Any gifts that are not of nominal value should be returned immediately and reported to your supervisor.

XI. SURVEILLANCE, MONITORING AND REPORTING:

- **Real-time Surveillance:** Dealing activity shall be monitored by automated surveillance tools and by Compliance to detect front-running, wash trades, insider trading indicators and other market abuse patterns.
- **Daily Reconciliations:** Trades entered must be reconciled daily with exchange reports and back-office settlements. Exceptions to be cleared within defined timelines.
- **Incident Reporting:** Any suspicious activity, breaches of policy, or system failures must be reported immediately to the Compliance Officer and Principal Officer, and recorded in the incident register.
- **Regulatory Reporting:** Any events that require reporting to SEBI/exchanges (e.g., material breaches) must be reported as per applicable circulars and timelines.

XII. GENERAL ADMINISTRATION:

The employees of the (Name of the Broker) shall record their attendance through Bio-Metric impressions or any other modes both at the time of arrival and leaving the Office premises. All Incoming and Outgoing communication shall be recorded by the Front Desk Officer.

No employees shall carry official records out of the office without proper authorization from their Divisional/Departmental/Functional Heads.

XIII. SUPERVISION:

The Dealers/Relationship Managers/Sales Personnel/Customer Care Executives shall strictly follow and adhere to the Policies framed and approved by the Board of Directors.

The Compliance Officer &/ Internal Auditors shall do a sample verification of dealing room calls and check the contract notes and vice versa, on a quarterly basis. The Compliance Officer &/ Internal Auditors shall periodically inspect the dealing room on a quarterly/half-yearly basis. An inspection report shall be prepared and any deviation or observations having negative recommendations shall be escalated and addressed immediately.

XIV. CLARIFICATION/INFORMATION:

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

XV. 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 Broker)'s internal control or Structure.

The Compliance officer has the authority to give directions 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.

X-X-X-X-X