

TATA SECURITIES LIMITED

POLICY FOR DEALING WITH CONFLICT OF INTEREST OF INTERMEDIARIES AND ASSOCIATED PERSONS IN SECURITIES MARKET

➤ **BACKGROUND:**

In the context of market intermediaries, conflict of interest are augmented by the vast and diversified client base, continuous product innovations, undisclosed and complex market mechanics, and simultaneous operations in multiple intermediary services.

All intermediaries are presently governed by the provisions for avoidance of conflict of interest as mandated in the respective regulations and relevant circulars issued by SEBI from time to time.

In view of the above, SEBI has issued guidelines vide their circular no. CIR/MIRSD/5/2013 dated August 27, 2013 on dealing with conflict of interest of Intermediaries 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 the view of 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 Act and includes any person required to obtain any membership or approval from a stock exchange or a self-regulatory organization;

Therefore in the view of above all employees, agents (sub broker and AP), distributors engaged in securities business will be covered under this policy.

Tata Securities Limited (“the Company”) has various policies in place viz. Tata Code of Conduct (“TCOC”), Employee Trading Policy, Dealer Code of Conduct (“DCOC”) that lays down most of the guidelines as cited in the aforementioned SEBI circular for dealing or avoiding or managing with conflicts of interest.

However, in order to give effect to the said circular and to have a concise policy pertaining to dealing of conflicts of interest, the Company proposes to implement this policy.

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➤ CONFLICTS OF INTEREST POLICY – AIM AND APPROACH

- 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.

➤ MANAGING CONFLICTS OF INTEREST & OPERATING GUIDELINES OF THE POLICY

All the employees and the associated person/s of the Company covered under this Policy shall adhere to following principle and practices to avoid conflict of interest at all points of time:

- **To maintain high standards of integrity in the conduct of business at all times:** The Company has dealt with this in the TCOC and DCOC.
- **To ensure to communicate policies, procedures and code to all concerned.**
- **To ensure fair treatment of clients and not to discriminate amongst them:** The DCOC deals with this concerned area in brief.
- **To ensure that Company's personal interest does not, at any time conflict with our duty towards our clients and client's interest shall always takes primacy in our advice, investment decisions and transactions :** The Company has dealt with this area in its Employee Trading Policy and DCOC.
- **To make appropriate disclosure to the clients of possible source or potential areas of conflict of interest which would impair the Company's ability to render fair, objective and unbiased services.**
- **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.:** The Company has dealt with this area in its Employee Trading Policy
- **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 :** The Company has dealt with this area in its Employee Trading Policy
- **Not to deal in securities while in possession of material non published information :** The Company has dealt with this area in its Employee Trading Policy

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- **Not to communicate the material non published information while dealing in securities on behalf of others** : The Company has dealt with this area in its Employee Trading Policy
- **Not to contribute in manipulating the demand for or supply of securities in the market or to influence prices of securities** : The Company has dealt with this area in its Employee Trading Policy & DCOC
- **Not to provide incentive structure that encourages sale of products not suiting the risk profile of clients**
- **Not to share information received from clients or pertaining to them, obtained as a result of our dealings, for our personal interest** : The Company has dealt with this area in its Employee Trading Policy & DCOC

➤ **EFFECTIVE MECHANISM**

It is therefore advised to adhere to various principles stated herein above 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. The 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.