

## Code of Conduct for Stock Exchanges

A Stock Exchange shall:

- (a) always abide by the provisions of the Act, Securities and Exchange Board of India Act 1992, any Rules or Regulations framed thereunder, circulars, guidelines and any other directions issued by the Board from time to time.
- (b) adopt appropriate due diligence measures.
- (c) take effective measures to ensure implementation of proper risk management framework and good governance practices.
- (d) take appropriate measures towards investor protection and education of investors.
- (e) treat all its applicants or members in a fair and transparent manner.
- (f) promptly inform the Board of violations of the provisions of the Act, Securities and Exchange Board of India Act 1992, rules, regulations, circulars, guidelines or any other directions by any of its members or issuer.
- (g) take a proactive and responsible attitude towards safeguarding the interests of investors, integrity of stock exchange's systems and the securities market.
- (h) endeavour for introduction of best business practices amongst itself and its members.
- (i) act in utmost good faith and shall avoid conflict of interest in the conduct of its functions.
- (j) not indulge in unfair competition, which is likely to harm the interests of any other Exchange, their participants or investors or is likely to place them in a disadvantageous position while competing for or executing any assignment.
- (k) segregate roles and responsibilities of key management personnel within the stock exchange including,
  - a. Clearly mapping legal and regulatory duties to the concerned position
  - b. Defining delegation of powers to each position
  - c. Assigning regulatory, risk management and compliance aspects to business and support teams
- (l) be responsible for the acts or omissions of its employees in respect of the conduct of its business.
- (m) monitor the compliance of the rules and regulations by the participants and shall further ensure that their conduct is in a manner that will safeguard the interest of investors and the securities market.