

## 1. Code of Ethics & Conduct/Desired Corporate Culture & Values

### 1.1 SCOPE

This Code of Ethics & Conduct (the “**Code of Conduct**”) expresses general principles required for all employees in all aspects of business activities of the BOP Exchange Pvt. Limited (the “**Exchange**”) in order to cohere their business practices by the highest standards of ethical and professional conduct. Present day it serves an important function in the public eye and maintaining high standards of service and ethics shall enable the Exchange to be perceived as impartial, ethical and independent.

The objective of the Code is to bring in line the standard of working of an employee with the basic principles of integrity, meritocracy, accountability, empathy, and excellence.

All employees of the BOP Exchange are required to follow the Code.

### 1.2 APPLICABILITY AND COMPLIANCE

#### 1.2.1 Responsibility of employees

Each employee is responsible to comply with the provisions of this Code themselves, while also taking steps to ensure that all employees under his or her reporting line also comply with the Code.

#### 1.2.2 Violation of code

Any employee having information, knowledge, or suspicion of any transaction or activity in violation of this Code, by anyone in the Exchange shall report the matter promptly to the higher authority (HR Division).

If an employee violates/breaches the Code, the Exchange reserves the right to strict Disciplinary Action, which may include, amongst other things, suspension, or termination from employment. It is the responsibility of every employee to diligently read and adhere to the Code.

#### 1.2.3 Accountability, Reporting & Transparency

The employees will maintain all books, data information, and records (wherever applicable), with scrupulous integrity reflecting in an accurate and timely manner, and will ensure that all relevant business transactions reported and documented correctly according to the approved business practices. Further, all employees shall ensure that facts are not misinterpreted, misleading, misused, or tampered.

Employees shall not exhibit, misconduct, unjust, unfair corrupt, malicious, fraudulent, or criminal activities while dealing with the public, customers, and/or another employee of the Exchange. All the employees shall be accountable for his/her/their actions, behaviors, performance, decisions, and consequences and shall be subject to DA/investigation/ legal proceedings in case of violation of the set rules.

If an employee receives any kind of demand or request (including summons notices from courts) for information pertaining to the Exchange, from an outside party (including regulators, law enforcement agencies, and parties to litigation), the employee must seek guidance from the senior line management, before proceeding further to acting in response to the request.

It is an ethical and moral responsibility of employee to immediately bring into the notice of HR Division and/or Legal Group in case of any FIR/complaint raised against the employee or immediate blood relative/dependent.

#### **1.2.4 Ensuring compliance**

HR Division shall communicate the Code apart from placing it on the Exchange's website, reinforcing the requirement to ensure compliance with the Code.

The Exchange reserves the right to take strict action against violation of rules and regulations, internal policy and procedure and involvement in corruption, fraudulent activity, misconduct, tax evasion, facilitation, irregularities, financial malpractices, frauds and forgeries, improper conduct or wrongdoing, money laundering including financing of terrorism and proliferation, proscribed persons/organization and sanctions person facilitation & or any unlawful activity.

### **1.3 FAIR DEALING**

The employees of the Exchange will endeavor to deal fairly with the customers, auditors, regulators, suppliers and other employees. None shall take advantage of such persons through manipulation, concealment, and misuse of privileged information, misrepresentation of material facts or any unfair dealing practice.

### **1.4 PROTECTING INFORMATION AND AMOUNTS**

In dealing with others, employees shall carefully protect and not disclose classified information concerning the business of the Exchange or use such information to advance personal interests through investments or otherwise.

Employees shall also be careful not to disclose information provided by parties with whom the Exchange is doing business.

Exchange's employees shall carefully protect its assets including electronic articles and stationery & strive to ensure their efficient use. Theft, damages or wastage due to carelessness by the employee warrants action against the delinquent staff by the Exchange.

### **1.5 CORPORATE AND PERSONAL POLITICAL CONTRIBUTIONS**

**1.5.1** No political contributions may be made at any time directly or indirectly. This Code does not prevent the Exchange from taking public positions on issues important to its business and for the welfare of its employees.

**1.5.2** The Exchange encourages its employees to participate in appropriate community, civic, and social activities. Such participation, whether in the form of time, money, or property, must be a purely personal matter.

### **1.6 SPECIAL PAYMENTS TO OTHERS**

**1.6.1** The funds or other assets of the Exchange will not be used for improper payments and employees will not, at any time, make any improper payment or "kickback", or pay any extra contractual commission, discount, or fee, or authorize or knowingly allow any employee reporting to him/her to make such improper payment to any government official or employee, to employees or customers or to any other person, or participate in any transaction which such employee understands or believes will not be properly recorded in the books of account in connection with any business activity of the Exchange.

## 1.7 CONFLICT OF INTEREST

The guidelines set forth below states the Conflict of interest policy of the Exchange, so that conflicts of interest can be avoided.

### 1.7.1 Working hours & Assets of the Exchange

The employee shall honestly perform his/her duties utilizing up to optimum potential during working hours and no employee will exploit official working hours on religious/medical grounds or domestic exigencies or in handling and following up his/her own personal business or any other business irrelevant to the Exchange and will not use office work materials, human resource and the facilities of the Exchange such as machines, equipment and communication media in pursuit of personal business. All assets of the Exchange must be used for legitimate business purposes.

### 1.7.2 Financial interests

Gifts, business entertainment or other benefits from a customer or a supplier/vendor, subordinate which appear or may appear to compromise commercial relationships must not be accepted by the employees. The Employee must abide by the Gift Policy of the Exchange.

1.7.3 Employees shall not use their employment status to seek personal gain from those doing business or seeking to do business with the Exchange, nor accept such gain if offered, or accept any gift, favor, entertainment, or other benefit the size or frequency of which exceeds normal business contacts from a constituent or a subordinate employee of the Exchange or from persons likely to have dealings with the Exchange and candidates for employment in the Exchange.

1.7.4 An employee will not have a financial interest in any business or other organization which interferes, or will potentially interfere, in any way with the performance of the employees' duties with the Exchange or his/her ability to place the interest of the Exchange first in any business transaction. Employees will disclose to the higher/highest authority (HR Division), regarding any financial interest which they or members of their immediate family have in any company doing business with the Exchange (the stock and bond ownership in companies listed on a national stock exchange and bond ownership in any governmental agency need not be disclosed).

The acceptance by an employee of the Exchange for any appointment or election to membership on the board of directors, committee, or similar body of any outside company, organization, or governmental agency shall require the prior approval of the Competent Authority.

No employee will take personal advantage of any opportunity that is discovered through the use of the property of the Exchange, information or position. The employees of the Exchange will not buy or sell any tangible or intangible property, such as real estate or securities, the purchase or sale of which, the Exchange may be considering from or to third parties, or inform others of such contemplated transactions.

### 1.7.5 Loans, Shares, etc.

No employee will accept a loan from a customer or supplier of the Exchange. Employees may obtain loans from the Exchange or other financial institutions on customary terms to finance proper credit needs. In any case, an employee will not use undue influence of his position or relation with the Exchange and would never jeopardize the Exchange's reputation.

Employees will refuse any legacy or bequest. He/she/They will refuse to serve personally as

executor, trustee, or guardian of the estate or trust of a customer of the Exchange. Except when directly related to matters of benefit to the Exchange or required by legal authority, no employee shall assist others in planning, purchase, or sale of products or services which are same as or similar to those marketed/offered by the Exchange.

## **1.8 DRESS CODE**

The Exchange maintains a business-working environment. All employees will use discretion in wearing attire that is appropriate for office and customer interaction. Those who are provided with a dress code or uniforms by the Exchange shall however be bound to obey such dress codes.

### **1.8.1 Guidelines**

Business formal clothing must communicate professionalism. Employees must keep their workday schedule into account when dressing, the Exchange strives to be known as an organization where employees enjoy their work environment while creating extraordinary results. All employees shall put on decent clothing, appropriate for an office environment. The management shall devise business dress code as standard for the employee.

## **1.9 EMPLOYEE CONDUCT AND WORK RULES**

To ensure orderly operations and provide the best possible work environment, the Exchange expects employees to follow this Code, as well as all rules of conduct that are intended to protect the interests and safety of all employees and the Exchange.

### **1.9.1 Guidelines**

Following is a non-exhaustive list of examples of infractions of rules of conduct that may result in disciplinary action as per Disciplinary Action Policy including termination of employment:

- i. Theft or inappropriate removal or possession of property from the workplace premises.
- ii. Working under the influence of alcohol or illegal drugs.
- iii. Possession, distribution, sale, transfer or use of alcohol or illegal drugs in the work place, while on duty or while operating employer-owned vehicles or equipment.
- iv. Fighting or threatening violence in the workplace.
- v. Sexual or other harassment.
- vi. Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace.
- vii. Unauthorized use of telephones, mail system or other employer-owned equipment.
- viii. Unauthorized disclosure of business "secrets" or confidential information.

## **1.10 EMPLOYEE GRIEVANCE**

It is the Exchange's intent to provide an effective way for its employees to bring problems concerning their wellbeing at work to the attention of the Exchange's management. Therefore, a formal and informal Grievance Policy and Procedure has been established for the benefit and use of the employees.

## **1.11 SMOKING IN THE WORKPLACE**

The Exchange is committed to making continuous efforts to maintain a pollution free environment. In line with this commitment, the Exchange promotes a non-smoking policy within the office premises. The Exchange strives to provide a safe and comfortable working environment for all employees, customers and visitors. Smoking is, therefore, prohibited throughout the premises of Exchange. Employees and visitors who wish to smoke must therefore leave the building and use only designated areas outside which have appropriate smoking waste disposal receptacles.

## CODE OF CONDUCT AND BUSINESS PRACTICES

All employees of the Exchange, hereafter called BOP Exchange, are required to follow a Code of Conduct & Business Practices in all areas of professional conduct. They must abide by the following:

### A. LAWS/ RULES

- i. All employees shall conform to and abide by the Exchange rules and obey all lawful orders and directives which may from time to time, be given by any person or persons under whose reporting, superintendence or control they may, for the time being, be placed. Employees must undertake to comply with and observe all applicable laws, regulations and Exchange's policies, wherever they operate, at all times.
- ii. All employees stand firmly against supporting the activities of any group or individual that unlawfully threatens public order and safety. They shall not be a member of any political party, take part in, subscribe in aid of, or assist in any way, any political movement in or out side of Pakistan or relating to the affairs of Pakistan. They shall not express views detrimental to the ideology, sovereignty or integrity of Pakistan.
- iii. No employee shall canvass or otherwise interfere or use his influence in connection with or take part in any election as a candidate to a legislative / local body or issue an address to the electorate or in any manner announce or allowed to be announced publicly as a candidate or prospective candidate whether in Pakistan or elsewhere. He /She/They may, however, exercise his/her right to vote.
- iv. No employee shall bring or attempt to bring political or other pressure / influence directly or indirectly to bear on the authorities / superior officers or indulge in derogatory pamphleteering, contribute, or write letters to the newspapers, anonymously or in his/her own name with an intent to induce the authority/ superior officers to act in a manner inconsistent with rules, in respect of any matter relating to appointment, promotion, transfer, punishment, retirement or for any other conditions of service of employment.

### B. INTEGRITY

- i. All employees shall conduct their self with the highest standards of ethics, professional integrity and dignity in all dealings with the public, clients, investors and fellow colleagues and not engage in acts discreditable to the Exchange, profession and nation. If he/she/they becomes aware of any irregularity that might affect the interests of the Exchange, he/she/they shall inform the senior management immediately.
- ii. Employees shall maintain all books, data, information and records with scrupulous integrity, reflecting in an accurate and timely manner all transactions/reports.
- iii. Employees shall avoid all such circumstances in which there is personal interest conflict, or may appear to be in conflict, with the interest of the Exchange or its customers.
- iv. Employee shall not use his/her employment status to seek personal gain from those doing business or seeking to do business with the Exchange, nor accept such gain if offered, they shall not accept any gift, favor, entertainment or other benefit the size or frequency of which exceeds normal business contacts from a constituent or a subordinate employee of the Exchange or from persons likely to have dealings with the Exchange and candidates for employment in the Exchange.
- v. Employees shall not accept any benefit from the estate of, or a trust created by a customer, or from an estate or trust of which an exchange company or business unit is an executor, administrator or trustee.

### C. CONFIDENTIALITY

- i. All employees shall maintain the privacy and confidentiality of all the information acquired during the course of professional activities and refrain from disclosing the same unless otherwise required by statutory authorities of law after consultation with approving authorities, if required in case of any ambiguity about disclosure. All such information will remain as a trust and will only be used for the purpose for which it is intended and will not be used for the personal benefit of any individual(s).

- Inside information about Exchange's customers/affairs shall not be used by any employee of the Exchange for own gain, or for that of others either directly or indirectly.
- ii. All employees are to ensure meticulous compliance of the IT Security Policy of the Exchange.
  - iii. Employees must not disclose confidential data/information including but not limited to critical reports, financial data, system password or customer or employee's personal information and/or any other data/information that could be used for hacking/encryption/phishing etc.
  - iv. Employees shall not indulge in "**insider trading**" as per Securities Act 2015. In case of any staff found involved in violation of the instructions he/she/they shall be dealt with, in accordance of Exchange's Disciplinary Action Policy.
  - v. All employees are strictly required to maintain the confidentiality of regulatory filings, including Currency Transaction Reports (CTR) and Suspicious Transaction Reports (STR). If any employee becomes aware that a CTR or STR is being filed or has been filed, they must not disclose this information to any customer or third party under any circumstances.

#### **D. PROFESSIONALISM**

- i. Employees shall serve the Exchange honestly and faithfully and shall strive for the goals, affairs, and purpose of the Exchange and the affairs of its constituents. They shall endeavor to promote the interest and goodwill of the Exchange and shall show courtesy and attention in all transactions / correspondence with officers of Government, State Bank of Pakistan, other Exchanges & Financial Institutions, other Establishments dealing with the Exchange, the Exchange 's constituents and the public.
- ii. Employees shall disclose and assign to the Exchange all interest in any invention, improvement, discovery or work of authorship that he/she/they may make or conceive and which may arise out of his/her employment with Exchange, If his/her employment is terminated, all rights to property and information generated or obtained as part of his/her employment relationship shall remain the exclusive property of the Exchange.
- iii. Employees shall be truthful in all advertisings and promotional efforts and shall publish only accurate information about the Exchange's operations under valid authority.
- iv. No employee shall engage in Money Laundering and will be extremely vigilant in protecting the Exchange from being misused by anyone to launder money by strictly complying with AML/CFT & "Know your customer" (KYC) and all relevant policies & procedures.

#### **E. BUSINESS / WORK ETHICS**

- i. All employees will respect fellow colleagues and work as a team. They shall at all times be courteous and not let any personal differences affect their work. They will treat every customer of the Exchange with respect and courtesy.  
Employees shall make sure, good attendance and punctuality and demonstrate a consistently good record in this area. For any absence during working hours, He/she/they will obtain written permission of his/her immediate supervisor prior to taking leaves. He/she/they shall not absent himself/herself /themselves from his/her duties, nor leave his/her/their station overnight, without having first obtained the permission of the Competent Authority. In case of emergency, if it is not possible to obtain prior permission, necessary confirmation of due permission will be obtained from the Competent Authority and/or immediate supervisor within **24**hours.
- ii. Employees shall maintain a standard of personal hygiene and dress appropriately for attendance at work. Their appearance must inspire confidence and convey a sense of professionalism.
- iii. All employees shall, as personal responsibility, safeguard both the tangible and intangible assets of Exchange and its customer(s) that are under their personal control and shall not use Exchange assets for their personal benefits except where permitted by the Exchange. They shall not use any Exchange facilities including a car or telephone to promote trade union activities, or carry weapons into

- Exchange's premises unless so authorized by the management, or carry on trade union activities during office hours, or subject Exchange officials to physical harassment or abuse.
- iv. Employees shall not indulge in any kind of harassment or intimidation whether committed by or against any senior/junior, co-worker, customer, vendor or visitor. They shall not use language, written or spoken in intra-office communication(s) or communication (s) with individual(s) outside the office that may contain any statement or material that is offensive to others. They shall never use the Exchange's system to transmit or receive electronic images or text containing ethnic slurs, social epithets or anything that might be construed as harassing, offensive or insulting to others.
  - v. Employees shall not indulge in any sexual advance, request for sexual favors or other verbal or written communication or physical conduct of a sexual nature or sexually demanding attitudes, causing interference with work performance or creating an intimidating, hostile or offensive work environment.
  - vi. Employees are required to meet their responsibilities towards fellow employees, customers and investors. They shall assist in maintaining a healthy and productive work environment and shall not engage in the selling, manufacturing, distributing, using, any illegal substance or being under the influence of illegal drugs while on the job.
  - vii. Employees shall ensure strict adherence to all health and safety policies as may be implemented from time to time by the Exchange.
  - viii. Employees shall not give any interview in the print /electronic media or have his/her photograph displayed or act in television / stage plays or in cinema without having permission from the Competent Authority.

#### **F. CODE OF CONDUCT AND BUSINESS PRACTICES**

- i. Employees shall intimate Human Resources Management of any changes in the personal circumstances relating to their employment or benefits.
- ii. Employees must raise concerns & suspicions, in confidence, about any actual or operational illegal activity or misconduct complying with the Whistle Blowing policy and Prevention from Harassment Policy. Failure to do so will result in employee being deemed a party to the irregularity.

Employees shall not indulge in any of the following activities except with the prior permission of the Competent Authority:

- iii. Borrow money from or in any way place them self under pecuniary obligation to broker or money lender or a subordinate employee of the Exchange or any firm or person having dealings with the Exchange.
- iv. Buy or sell stock, shares or securities, of any description without funds to meet the full cost in the case of purchase or scripts for delivery in the case of sale. However, he/she/they can make a bona-fide investment of his/her own funds in such stocks, shares and securities as he/she/they may wish to buy.
- v. Lend money in his/her private capacity to a constituent of the Exchange or have personal dealings with a constituent in the purchase or sale of bills of exchange, Government paper or any other securities.
- vi. Guarantee in his/her private capacity the pecuniary obligation of another person or agree to indemnify in such capacity another person from loss.
- vii. Act as an agent for an insurance company, otherwise than as agent for or on behalf of the Exchange.
- viii. Be connected with the formation or management of a joint stock company.
- ix. Engage in any other commercial business or pursuit either on his/her own account as an agent for another or others.
- x. Accept or seek any outside employment or office whether stipendiary or honorary.
- xi. Undertake part-time work for a private or public body or private person, or accept fee thereof.

**G. Equal Employment Opportunity/Meritocracy**

- i. The Exchange strives to treat all its employees, customers, suppliers and all other persons with respect and dignity and value their individual differences. The Exchange shall not tolerate any act of discrimination against any person on the basis of race, religion, color, gender, age, marital status, national/ethnic origin, sexual orientations, citizenship or disability. No employee shall be subjected to any discrimination or harassment by another employee of the Exchange
- ii. The Exchange does not prohibit employment of close relatives, however, integrity of the human resource process must be maintained. Employees shall not be part of any decision affecting a close relative to avoid conflict of interest.

**H. Responsibility after leaving**

- i. It is the professional duty of all employees while being employed with the Exchange to maintain confidentiality. Therefore, all employees must maintain the same professionalism and secrecy even after leaving employment with the Exchange and not disclose any official information. Former members of staff should not use or take advantage of personal, confidential or official information, they may have obtained in their capacity as the Exchange staff.

**I. Personal Commitment & Acknowledgement**

I, hereby acknowledge that;

- 1. I have diligently read and clearly understood the Code of Ethics & Conduct;
- 2. I commit to abide by the principles/conditions/declarations articulated herein;
- 3. If I fail to comply with any of the conditions / guidelines /principles outlined herein, I will be subject to disciplinary consequences as per Exchange’s policies;

Employee Name & Number

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CNIC

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Functional title / Position

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Signature & Date

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