

# **INDO THAI SECURITIES LTD.**

## **Code of Conduct For Directors, Senior Management, Officers And Employees**



**Code of Conduct For Directors, Senior Management, Officers And Employees**

**Indo Thai Securities Limited** is committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. This code is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. Each Director, senior manager, officer and employee is expected to comply with the letter and spirit of this code.

The Directors, senior management, officers and employees of the Company must not only comply with applicable laws, rules and regulations but should also promote honest and ethical conduct of the business. They must abide by the policies and procedures that govern the conduct of the Company's business. Their responsibilities include helping to create and maintain a culture of high ethical standards and commitment to compliance, and to maintain a work environment that encourages the stakeholders to raise concerns to the attention of the management.

A present, overall, contents of this Code are in practice, being already followed by the Directors and the Senior Management, however, in compliance with the new Clause 49 of the listing agreement, the Code as set out below, is to take effect from the date, when approved by the Board in its meeting.

**1. APPLICABILITY:**

The Code is applicable to all the members of the Board of Directors, Senior Management, Officers and employees of the Company. Senior Management shall include all executives holding the positions of Director (Non-Board Member/s), Sr. Manager, Managers, Asst. Managers and all head of the departments excluding Board of Directors. Such personnel shall hereinafter be treated as members of its core management team.

**2. DILIGENCE:**

The Directors, senior management, officers and employees are to exercise due diligence in attending to their respective duties and obligations in the best interest of the Company.

**3. CONFLICTS OF INTEREST:**

The Directors, senior management, officers and employees should be scrupulous in avoiding 'conflicts of interest' with the Company. In case there is likely to be a conflict of interest, he/she should make full disclosure of all facts and circumstances thereof to the Board of Directors or Company Secretary or any Committee / officer nominated for this purpose by the Board and a prior written approval should be obtained.

**A conflict situation can arise:**

- a. When an employee, officer, senior manager or Director takes action or has interests that may make it difficult to perform his or her work objectively and effectively,
- b. The receipt of improper personal benefits by a member of his or her family as a result of one's position in the Company,
- c. Any outside business activity that detracts an individual's ability to devote appropriate time and attention to his or her responsibilities with the Company,
- d. The receipt of non-nominal gifts or excessive entertainment from any person/company with which the Company has current or prospective business dealings,
- e. Any significant ownership interest in any Client, development partner or competitor of the Company,
- f. Any consulting or employment relationship with any Client, business associate or competitor of the Company.

**4. TRANSPARENCY:**

The Directors and the Senior Management are to ensure that their action/s in the conduct of business are transparent, except where the confidentiality of the business requires otherwise. Such transparency shall be brought through appropriate policies, procedures, and maintaining supporting and proper records.

**5. FAIR DEALING:**

Each director, member of core management team, officer, and employee should deal fairly with Clients, competitors, and employees of group companies. They should not take unfair advantage of anyone through manipulation, concealment, abuse of confidential, proprietary or trade secret information, misrepresentation of material facts, or any other unfair dealing-practices.

**6. HONEST AND ETHICAL CONDUCT:**

The Directors, senior management, officers and employees shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct not only on Company's premises and offsite but also at company sponsored business, social events as well as any places. They shall act and conduct free from fraud and deception. Their conduct shall conform to the best-accepted professional standards of conduct.

**7. CORPORATE OPPORTUNITIES:**

Directors, senior management, officers and employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Directors, senior management, officers, and employees are expressly prohibited from:

- a. Taking for themselves personally, opportunities that are discovered through the use of Company's property, information, or position,
- b. Competing directly with the business of the Company or with any business that the Company is considering.

Using Company's property, information, or position for personal gain. If the Company has finally decided not to pursue an opportunity that relates to the Company's business activity, he/she may pursue such activity only after disclosing the same to the Board of directors or the nominated person/committee.

**8. PROTECTION AND PROPER USE OF COMPANY'S ASSETS:**

The Directors and the Senior Management are to ensure to protect Company's assets and property and the same should be used only for legitimate business purposes.

**9. CONFIDENTIALITY:**

The Directors, Senior Management, Officers and Employees shall maintain the confidentiality of confidential information of the Company or that of any Client, supplier or business associate of the Company to which Company has a duty to maintain confidentiality, except when disclosure is authorized or legally mandated. The Confidential information includes all non-public information (including private, proprietary, and other) that might be of use to competitors or harmful to the Company or its associates. The use of confidential information for his/her own advantage or profit is also prohibited.

**10. COMPLIANCE WITH LAWS, RULES, AND REGULATIONS:**

The Directors, senior management, officers and employees shall comply with all applicable laws, rules, and regulations. Transactions, directly or indirectly, involving securities of the Company should not be undertaken without pre-clearance from the Company's Managing Director or Compliance Officer/Company Secretary. Any Director, member of core management team, officer or employee who is unfamiliar or uncertain about the legal rules involving Company business conducted by him/her should consult the legal department of the Company before taking any action that may jeopardize the Company or that individual.

**11. RELATIONSHIP WITH CLIENTS AND BUSINESS PARTNERS:**

The Directors and the Senior Management are to endeavor that their dealings with the Clients are given due importance, value is created and relationship of trust is built. In dealing with business partners it should be the endeavor that services are based on need, quality, fair value, and appropriate terms and conditions.

**12. SHAREHOLDERS:**

The Directors and the Senior Management are to ensure that the rights of shareholders are met as per law and good corporate practices, and all efforts are made to provide best services to them.

**13. CODE OF ETHICS FOR CHIEF FINANCE OFFICER:**

Honesty, integrity and sound judgment of the senior financial officers is fundamental for the success and reputation of Indo Thai Securities Limited. The professional and ethical conduct of the senior financial officers is

essential to the proper functioning of the Company. The senior finance officers as well as Directors of the Company shall be bound by the following code of ethics:

- a. Act with honesty and integrity, including the ethical handling of actual or apparent conflicts of interest between personal, financial and professional relationships,
- b. Make full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits or makes periodically, to the shareholders, government authorities, and to the public,
- c. Comply with governmental laws, rules, notifications and regulations applicable to the Company's business,
- d. Disclose to the Board or any committee/officer designated by the Board for this purpose, any material transaction or relationship that reasonably could be expected to give rise to any violations of the code including actual or apparent conflicts with the interests of the company,
- e. Promote prompt reporting of violations of the Code of Ethics to the Board of Directors or Company Secretary / Compliance Officer or any person/committee designated for this purpose, as may be necessary,
- f. Respect the confidentiality of information acquired in the course of employment unless legally obliged to disclose and ensure that no such confidential information is used for personal advantage/benefit,
- g. Maintain the skills necessary and relevant to the Company's needs,
- h. Act in good faith, responsibility, with due care, competence and diligence without misrepresenting material facts,
- i. Refrain from any inappropriate or undue influence of any kind in all dealings with independent auditors, and avoid any actual or apparent conflicts with analysts,
- j. Achieve responsible use of and control over all assets and resources employed or entrusted to them,
- k. Promote ethical and honest behavior within the Company and its associates,

Chief Finance Officer should adhere to both the code of business conduct and the code of ethics of the Company. Violation of the code of ethics will lead to appropriate disciplinary action including dismissal from the services of the Company any deviation/waiver from this code can only be affected on the sole and absolute discretionary authority of the Board or any person/committee designated by the Board for this purpose.

#### **14. INTERPRETATION OF CODE:**

Any question or interpretation under this Code of Ethics and Business Conduct will be handled by the Board or Company Secretary / Compliance Officer or any person /committee authorized by the Board of the Company. The Board of Directors or any designated person/committee has the authority to waive compliance with this Code of business conduct for any Director, member of core management team, officer or employee of the Company. The person-seeking waiver of this Code shall make full disclosure of the particular circumstances to the Board or the designated person/ committee

#### **15. COMPLIANCE WITH THE CODE OF CONDUCT:**

Compliance with this Code of Conduct is an obligation. The Directors and the Senior Management are to ensure that this Code is communicated to, and understood and observed by all employees.

It terms of Clause 49 of Listing Agreement Board of Directors, Senior Management, Officers and employees of the Company shall affirm compliance with the Code, on an annual basis and submit Compliance Report within 30 days of close of every financial year in prescribed proforma enclosed to this Code and shall be forwarded to the Company Secretary. The Board expects employees to bring to their attention, or to that of Senior Management, any breach or suspected breach of this Code. Compliance with this Code is subject to the review by the Board and complemented by the Audit Committee of the Board. Any modification/s, amendment/s, or review of this Code shall be done by the Board.

**Acknowledgement of Receipt of Code of Conducts -**

All members of the Board of Directors, Senior Management, Officers and employees of the Company shall acknowledge receipt of this Code of Conducts or any modification(s) thereto, in the acknowledgement form annexed to this Code and forward the same to the Company Secretary.

**Note:** The above policy is approved and adopted in the meeting of the Board of Directors held on 9<sup>th</sup> May, 2014.

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