



**SHAJARPAK SECURITIES (PRIVATE)
LIMITED**

STATEMENT OF ETHICS AND BUSINESS PRACTICES



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A) STATEMENT OF ETHICS AND BUSINESS PRACTICES

The reputation of Shajarpak Securities (Pvt.) Limited (hereinafter referred to as SSPL) as a premier securities brokerage house shall not be compromised at any cost and the brand image will be protected and upheld at all times with the government agencies, regulatory bodies, customers and all other parties with whom SSPL has business dealings.

All permanent employees and contractual staff representing SSPL are therefore expected to conduct their day to day duties at all times in a professional manner, maintaining the highest standards of integrity, honesty and conduct, together with adherence to all applicable laws, rules and regulations and laid down SSPL's policies. SSPL has adopted a Statement of Ethics and Business Practices incorporating the following Guidelines as a minimum standard. Employees are expected to fully understand the Code and comply with the Guidelines.

B) GUIDELINES

1) Business Practices

Honesty and integrity are the hallmarks of SSPL and adherence is expected on part of each employee. SSPL must compete for business on an honest and open basis – this is integral to ethical behavior. A conflict occurs when an employee's private interest conflicts with the interest of the Company or its investors. No employee shall transact any business on behalf of himself or any person other than SSPL with any supplier of goods or services to SSPL in circumstances that could give rise to a conflict of interest or be prejudicial to SSPL. In placing or accepting any business and in entering into contracts on behalf of SSPL, employees are expected to observe the highest standards of integrity and to act in the best interests of SSPL. Business should not be placed or accepted, or contracts or arrangements entered into, for any improper motive. Except where authorized in writing by the Chief Executive Officer (CEO) or permitted under these Guidelines, no employee shall engage in or be connected or interested in any profession, outside business interest or additional employment which could in any way conflict with the proper performances of the employee's contract of employment with SSPL, or which would be in competition with SSPL's business or which in any other way could give rise to a conflict of interest. No employee shall use the resources of SSPL for any purpose other than to conduct SSPL's lawful and proper business. In particular, SSPL's resources must not be used for illegal purposes or for the gain of anyone other than SSPL. Employees should endeavor to protect the assets of SSPL and its sponsors and customers and ensure efficient utilization. SSPL's assets should only be used for legitimate business purposes only. In their private lives employees must also conduct themselves in a way which does not bring SSPL into disrepute. The directors of SSPL shall exercise their powers and carry out their fiduciary duties with a sense of objective judgment and



independence in the best interest of SSPL and in accordance with the laid down rules and regulations.

2) Conflicts of Interest

Each employee of SSPL is expected to avoid situations in which his or her financial or other personal interests or dealings are or may be in conflict with the interests of SSPL. Any conflict that arises in a specific situation or transaction must be disclosed and resolved. Matters involving conflict of interest are prohibited as a matter of policy except when approved by CEO or other designated person. Conflict of interest may not always be evident and employee should consult with higher levels of management if they are uncertain about any situation.

3) Relationships with Customers, Suppliers and Coworkers

No employee shall give or accept money, gifts, entertainment, loans or any other benefit or preferential treatment from any existing or potential customer, supplier or business associate of the SSPL, other than occasional gifts of a modest value and entertainment on a modest scale as part of customary business practice. Misrepresentations should not be made to anyone. If a misunderstanding is thought to have taken place through unclear communication, this should be corrected promptly. Honesty, integrity and openness are the foundation of ethical behavior and aid the promotion of trust and lasting business relationships. Employees should maintain the office decorum and a work environment in which all individuals and coworkers are treated with dignity and respect. Each employee is expected to avoid criticism of each other, discussion on politics and encourage an environment in which humbleness, cooperation and consultation is promoted.

4) Customers Dealing

All customers will be dealt with fairly and no discrimination will be done between any customer at any time. Furthermore, to ensure that the customers are being dealt with fairly a telephone recording system will be employed to record all landlines of communication and will be checked periodically to ensure that customers are being dealt with fairly and orders are executed transparently with the utmost integrity and fairness while maintaining confidentiality at all times.

5) Improper Payments

The making of improper payments or inducements, such as bribes to domestic or foreign officials and similar acts are contrary to the policy of SSPL and the funds and resources of SSPL shall not be used directly or indirectly for any such purpose. A guiding principle should be that neither the SSPL's overall integrity nor its local reputation would be damaged if full details of the business practice or transaction were publicly disclosed.

6) Accounting Standards

All transactions shall be recorded in a timely manner in the accounting records of SSPL according to generally accepted accounting principles. All payments and



transactions shall be supported by appropriate documents clearly identifying and describing their nature and purpose. The accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No undisclosed or unrecorded account, fund or asset will be established or maintained. All funds of SSPL and SSPL balances of any kind shall be reflected in the books and records of the SSPL. Accounting practices that suppress records, misstate operating results, obscure the nature of transactions or otherwise alter the substance of any transaction should not be adopted.

The Chief Executive and Chief Financial Officer (CFO) would present the financial statements, duly endorsed under their respective signatures, for consideration and approval of the Board of Directors. SSPL shall submit such periodical returns, to such authorities and any other persons as may be prescribed under the law or directed by regulatory authorities in writing, from time to time. The external auditors would have no relation with SSPL and would be independent.

7) Human Resources

Human Resources policies of SSPL will apply to all employees consistently, transparently and fairly. An open culture will be fostered, in which staff members are encouraged to make suggestions or raise serious business concerns. All employees shall receive equal respect, consideration and opportunities from SSPL and must treat other employees, customers and suppliers in the same manner. It is policy and practice of SSPL that selection for employment and promotion is based on the objective assessment of ability and experience, free from discrimination on any grounds.

8) Securities Transactions

In accordance with the requirements of the Companies Ordinance, 1984, the Directors, Chief Executive, certain employees (Chief Financial Officer or Secretary) and External Auditors shall submit to the Registrar of Companies and the Securities & Exchange Commission a return in the prescribed form containing the prescribed particulars pertaining to the beneficial ownership of such securities and notifying in the prescribed form the particular of any change in the interest aforesaid. Where the Director, Chief Executive or Executive of SSPL or their spouses sell, buy or take any position, whether directly or indirectly, in shares of SSPL, he shall immediately notify in writing the Company Secretary of his intentions. No director, Chief Executive or Executive shall, directly or indirectly, deal in the shares of SSPL in any manner during the closed period. Closed period refers to the period between the day when the notice of the meeting is sent to Directors and Stock Exchange to the meeting day when such accounts are approved by Board of Directors and sent to the Stock Exchange. An employee must not disclose unpublished "price sensitive" information to any other person, whether or not an employee, except where it is necessary to do so to carry out his or her duties, that person must first be advised that the information is confidential and that he or she will become subject to the same dealing and disclosure restrictions. No directors or employees of SSPL would be engaged in insider trading. Equity trading employees designated for such purpose shall maintain order registers and write down all customer orders that they receive, the registers will be checked periodically and during trading times as well to ensure



completeness and accuracy and matched with the market and recording of customers.

9) Compliance with Laws and Agreements

SSPL shall transact its business according to all applicable local laws, rules and regulations.

Any expenditure of SSPL for any provision of services or any other thing of value to SSPL for any purpose that might possibly be construed as of questionable propriety and/or legality, must be discussed in advance with, and if acceptable, be approved in writing by the Chief Executive of the SSPL. SSPL will be a party to numerous agreements with third parties relating to a wide range of issues. Employees must fully respect and comply with these contractual terms, e.g. non-disclosure of information, terms of license to use products such as the prohibition of unlicensed copying of computer software, etc.

10) Confidentiality of Information

Confidential information may be anything that relates to clients, market sensitive information, tentative acquisitions, business plan, expansion strategy, capital development plan, financial numbers, internal communication, human resource and other company policies not generally available outside. The information referred to above may be on paper, CD, data stick, computer file or printout, video, photograph or even heard by word of mouth. It may be stored on portable devices such as laptops, palmtops and mobile phones and can take many forms including but not restricted to correspondence, e-mails, employee records, minutes, reports etc. Employees should consider all information to be sensitive. All employees of SSPL are bound to protect the confidentiality of any information they may come into contact with during the course of their work or otherwise. No employee shall without proper authority access, modify, disclose or make use of any confidential SSPL's information for any purpose other than legitimately carrying out his or her duties. Employees are obliged to keep the delicate information strictly confidential. All employees must act with integrity upon information obtained and held on behalf of SSPL and should be on guard to avoid careless or inadvertent disclosures which may damage the businesses of SSPL or that of its customers or suppliers. Any request from an outsider including the media personnel for any confidential information should be refused promptly except for historical or other publicly available information related to SSPL required by corporate and other customers for due diligence. Protecting the confidentiality of customer information is mandatory on each employee. Information relating to a particular customer may not be shared with anyone else except the customer itself or other regulatory agency e.g. Exchange, Central Depository Company of Pakistan Limited, Commission, Federal Investigation Agency etc after due verification. Any exceptions to this rule may require written consent to be obtained from the individual who is the subject of the information, or their legally determined representative, in advance. If any member of staff has concerns about disclosing/sharing information, these must be discussed with their line manager and if they are not available, someone with the same or similar responsibilities.



11) Community Responsibility

SSPL aims to be a good corporate citizen, supporting the communities from which it derives its business and recognizing its responsibilities in respect of all these communities. SSPL will be supportive of community initiatives across the organization, targeting those most appropriate for each individual community.

12) Environmental Responsibility

SSPL is concerned with the conservation of the environment in its broadest sense, recognizing its role in this respect by maintaining responsibility for the building and land which it occupies and it aims to limit its use of all finite resources, with specific focus on its waste management practices and usage of energy