

CODE OF CONDUCT FOR DIRECTOR
OF VADODARA STOCK EXCHANGE LIMITED

Approved by Governing Board at its meeting held on 31-03-2013

A. PURPOSE:

The purpose of this '**Code of Conduct**' is to serve as a guide to the Directors of Vadodara Stock Exchange Limited (the Exchange) on the principles of integrity, transparency, business ethics and to set up standards for compliance of Corporate Governance. This Code of Conduct has been adopted to meet with the requirements of Regulation 26(1) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.

B. MEETINGS AND MINUTES:

Every director of the Exchange shall:

- a. not participate in discussions on any subject matter in which any conflict of interest exists or arises, whether pecuniary or otherwise, and in such cases the same shall be disclosed and recorded in the minutes of the meeting;
- b. not encourage the circulation of agenda papers during the meeting, unless circumstances so require;
- c. offer their comments on the draft minutes and ensure that the same are incorporated in the final minutes;
- d. insist on the minutes of the previous meeting being placed for approval in subsequent meeting;
- e. endeavour to have the date of next meeting fixed at each meeting of the Board of Directors in consultation with other members of the Board of Directors;
- f. endeavour to ensure that in case all the items of the agenda of a meeting were not covered for want of time, the next meeting is held within fifteen days for considering the remaining items.



C. CODE OF CONDUCT FOR THE PUBLIC INTEREST DIRECTORS:

a. In addition to the conditions stated in Para (B) above, Public Interest Directors of the Exchange shall endeavour to attend all the meetings of the Board of Directors and they shall be liable to vacate office if they remain absent for three consecutive meetings of the Board of Directors or do not attend seventy five per cent of the total meetings of the Board of Directors in a calendar year.

b. Public Interest Directors shall meet separately, at least once in six months to exchange views on critical issues.

D. STRATEGIC PLANNING:

Every director of the Exchange shall:

a. participate in the formulation and execution of strategies in the best interest of the Exchange and contribute towards pro-active decision making at the governing Board of Directors level;

b. give benefit of their experience and expertise to the Exchange and provide assistance in strategic planning and execution of decisions.

E. REGULATORY COMPLIANCES:

Every director of Exchange shall:

a. endeavour to ensure that the Exchange abides by all the provisions of the Securities and Exchange Board of Directors of India Act, 1992, Securities Contracts (Regulation) Act, 1956, rules and regulations framed thereunder and the circulars, directions issued by SEBI from time to time;

b. endeavour compliance at all levels so that the regulatory system does not suffer any breaches;

c. endeavour to ensure that the Exchange takes steps commensurate to honour the time limit stipulated by Board of Directors for corrective action;

d. not support any decision in the meeting of the Board of Directors which may adversely affect the interest of investors and shall report forthwith any such decision to the Board of Directors.



v. GENERAL RESPONSIBILITY:

Every director of the Exchange shall:

- a. place priority for redressing investor grievances and encouraging fair trade practice so that the Exchange becomes an engine for the growth of the securities market;
- b. endeavour to analyse and administer the Exchange issues with professional competence, fairness, impartiality, efficiency and effectiveness;
- c. submit the necessary disclosures/statement of holdings/dealings in securities as required by the Exchange from time to time as per their Rules or Articles of Association;
- d. unless otherwise required by law, maintain confidentiality and shall not divulge / disclose any information obtained in the discharge of their duty and no such information shall be used for personal gains;
- e. maintain the highest standards of personal integrity, truthfulness, honesty and fortitude in discharge of their duties in order to inspire public confidence and shall not engage in acts discreditable to their responsibilities;
- f. perform their duties in an independent and objective manner and avoid activities that may impair, or may appear to impair, their independence or objectivity or official duties;
- g. perform their duties with a positive attitude and constructively support open communication, creativity, dedication, and compassion;
- h. not engage in any act involving moral turpitude, dishonesty, fraud, deceit, or misrepresentation or any other act prejudicial to the administration of the Exchange.

