

## **EMPLOYEES CODE OF ETHICS AND STANDARDS OF PROFESSIONAL CONDUCT**

### **1. PREAMBLE**

- a) The Code of Ethics and Standards of Professional Conduct of MCB-Arif Habib Savings and Investments Limited (hereinafter referred to as the "MCB-AH" or "Company") are fundamental to its values and essential to achieving its vision and mission. High ethical standards are critical to maintaining the stakeholders' trust in the Company.
- b) The Board of Directors (BOD) of the Company shall have an overall responsibility for implementation of the Code of Ethics and Standards of Professional Conduct.
- c) This Code of Ethics and Standards of Professional Conduct shall be strictly followed by all directors, permanent employees, contractual staff (including outsourced employees) and management trainee officers of the Company.
- d) The basic responsibility for maintenance and updation of this document resides with the Head of Human Resource. The review and updation of this document shall be an ongoing process to ensure continuous alignment of this document with the Company-wide strategy and the internal and external dynamics in which the Company operates. Such factors may also include the developments and changes required by laws, rules and regulations applicable on the Company.
- e) Head of Human Resource shall initiate, the CEO shall validate and the BOD shall approve any modifications to this document. The CEO shall be authorized to allow interim approval of any proposed changes in this document and their implementation only in cases where the changes do not require any material amendments to the Company-wide strategy and are required to be affected promptly. However, any such changes shall be subject to subsequent ratification by the BOD.
- f) As a policy, this document shall be reviewed at least once in every three (3) years and updated, if required.
- g) Human Resource Department will provide copy of this Code of Ethics and Standards of Professional Conduct to all directors, permanent employees, contractual staff and management trainee officers of the Company and obtain acknowledgement from them about their understanding and acceptance of the Code of Ethics and Standards of Professional Conduct.

### **2. THE CODE OF ETHICS**

The directors, permanent employees, contractual staff and management trainee officers of the Company shall:

- a) Act with integrity, competence, diligence, respect and in an ethical manner when dealing with the public, clients, prospective clients, regulatory bodies, employers, employees and colleagues.
- b) Place the integrity on priority and the interests of clients above their own personal interests.
- c) Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities.
- d) Practice and encourage others to practice in a professional and ethical manner that will reflect credit on themselves and the Company.
- e) Promote the integrity for the ultimate benefit of the society.
- f) Maintain and improve their competence and strive to maintain and improve the competence of other employees.
- g) Refrain from divulgence of confidential and privileged information.
- h) Refrain from involvement in insider trading.

### **3. STANDARDS OF PROFESSIONAL CONDUCT**

#### **a) PROFESSIONALISM**

The directors, permanent employees, contractual staff and management trainee officers of the Company must:

- i) Not knowingly participate or assist in and must dissociate from any violation of applicable laws, rules or regulations.
- ii) Use reasonable care and judgment to achieve and maintain independence and objectivity in their activities.
- iii) Not offer, solicit, or accept any gift, benefit, compensation or consideration that could reasonably be expected to compromise their independence, objectivity and loyalty to clients.

[The maximum monetary limit for accepting gift is Rs. 2,000/- per employee. If any employee receives any gift, he/ she shall be responsible to immediately intimate the Head of Human Resource in writing. Employee shall not be required to intimate gifts of nominal value such as refreshment, lunch, dinner, diaries and calendars. to Head of Human Resource. If an employee receives any gift where no monetary value can be assigned, he/ she shall refer Head of Human Resource for guidance before accepting the same].

- iv) Not knowingly make any misrepresentations relating to investment analysis, recommendations, actions, or other professional activities.
- v) Not engage in any misconduct involving dishonesty, fraud, or deceit or commit any act that reflects adversely on their reputation, integrity, or competence.

**b) DUTIES TO CLIENTS**

The directors, permanent employees, contractual staff and management trainee officers of the Company must:

- i) Act for the benefit of their clients and place their clients' interests before their own interests and Company's interest.
- ii) Deal fairly and objectively with all clients when providing investment analysis, making investment recommendations, taking investment action, or engaging in other professional activities.
- iii) Preserve the confidentiality of information communicated by clients within the scope of the manager-client relationship.
- iv) Not participate in any business relationship or accept any gift that could reasonably be expected to affect their independence, objectivity, or loyalty to clients.
- vi) Not earn profit or seek to profit from confidential information or provide such information to anyone with the objective of making profit for itself or any unit holder. Any director or employee who possesses material non-public information that could affect the value of share price of the Company or Net Asset Value of the Schemes must not act or cause others to act on the information.
- vii) Exercise reasonable care and prudent judgement while managing client's assets.
- viii) keep information about current, former and prospective clients confidential unless:
  - The information concerns illegal activities on the part of the client or prospective client,
  - Disclosure is required by any law, or
  - The client or prospective client permits disclosure of the information.

**c) DUTIES TO THE COMPANY**

The directors, permanent employees, contractual staff and management trainee officers of the Company must:

- i) Act for the benefit of the Company and not deprive the Company of the advantage of their skills and abilities, divulge confidential information, or otherwise cause harm to the Company.
- ii) Make reasonable efforts to ensure that anyone subject to their supervision or authority complies with applicable laws, rules, regulations and the Code and Standards.

**d) INVESTMENT ANALYSIS, RECOMMENDATIONS AND ACTIONS**

The permanent employees, contractual staff and management trainee officers of the Company must:

- i) Exercise diligence, independence and thoroughness in analyzing investments, making investment recommendations and taking investment actions.
- ii) Have a reasonable and adequate basis, supported by appropriate research and investigation, for any investment analysis, recommendation or action.
- iii) Disclose to clients and prospective clients significant limitations and risks associated with the investment process.
- iv) Use reasonable judgment in identifying which factors are important to their investment analyses, recommendations, or actions and include those factors in communications with clients and prospective clients.
- v) Distinguish between fact and opinion in the presentation of investment analysis and recommendations.
- vi) Not engage in practices designed to distort prices or artificially inflate trading volume with the intent to mislead market participants.
- vii) Not enter into any transaction which may conflict with a duty of care owed to a unit holder. Where it is practically not possible to avoid conflict then ensure its complete and timely disclosure to unit holders.
- viii) Develop and maintain appropriate records to support their investment analyses, recommendations, actions, and other investment-related communications with clients and prospective clients.

**e) CONFLICTS OF INTEREST**

The directors, permanent employees, contractual staff and management trainee officers of the Company must:

- i) Make full and fair disclosure of all matters that could reasonably be expected to impair their independence and objectivity or interfere with respective duties to their clients, prospective clients and the Company.

- ii) Ensure that such disclosures are prominent, are delivered in plain language, and communicate the relevant information effectively.
- iii) Must have priority to investment transactions for clients and the Company over personal investment transactions.

**f) TRADING BY EMPLOYEES**

The directors, permanent employees, contractual staff and management trainee officers of the Company must observe all the requirements of Employees' Trading Policy approved by Board of Directors of the Company.

**g) PREVENTION OF FRAUD AND MISCONDUCT**

The directors, permanent employees, contractual staff and management trainee officers of the Company must observe all the requirements of Fraud Prevention and Whistle Blower Policy approved by Board of Directors of the Company.

**h) COMPLIANCE WITH COMPANY'S POLICIES AND PROCEDURES**

The directors, permanent employees, contractual staff and management trainee officers of the Company must ensure compliance with all applicable policies and procedures approved by Board of Directors of the Company from time to time.

**i) CONSULTATION**

Employees are encouraged to highlight and discuss matters that may require detailed consultation or guidance in understanding the potential conflict of interests. They may discuss such matters with their Head of Department or in case of continued lack of satisfaction, they refer directly to CEO of the Company.

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**DECLARATION**

I have read and understood the above-mentioned Code of Ethics and Standards of Professional Conduct and I hereby agree to abide by it.

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Name

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Signature