POLICY RELATING TO AVOIDANCE OF CONFLICT BY DIRECTORS AND KEY MANAGERIAL PERSONNEL

VERSION 5.0

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Confidential

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Document Owner	**:**	**Mr. Mandar Kulkarni**	**23/07/2025**
Reviewed By	**:**	**Mr. Narendra Ahlawat**	**23/07/2025**
Approved By	**:**	**Board of Directors**	**30/07/2025**

Revision History

Version No.	Description	Prepared By / Revised By	Reviewed / Approved by	Issue / Revision Date
1.0	Initial Version	Ms. Riddhi Parekh	Reviewed by Ms. Riddhi Parekh Approved by MCXCCL Board	27/04/2018
2.0	Revision through amendments in Companies Act, 2013, SEBI Regulations, 2015 and introduction to the SECC Regulations, 2018.	Ms. Riddhi Parekh	Reviewed by Ms. Riddhi Parekh Approved by MCXCCL Board	11/07/2019
3.0	Revision through incorporating the provision relating to policy review period.	Mr. Mandar Kulkarni	Reviewed by Mr. Narendra Ahlawat Approved by MCXCCL Board	22/10/2021
4.0	Revision to incorporate the changes in example no. 2 and 4.	Mr. Mandar Kulkarni	Reviewed by Mr. Narendra Ahlawat Approved by MCXCCL Board	25/08/2023 (Effective from August 28, 2023)

5.0	**Revised to include:** **a) Meaning of 'Conflict of Interest' and 'KMP';** **b) Additional points under the list of the events and instances which could be considered as conflict of interest and** **c) Confidentiality statement under the heading 'Compliance with the contents of this Policy'.**	**Mr. Mandar Kulkarni**	**Reviewed by Mr. Narendra Ahlawat Approved by MCXCCL Board**	**30/07/2025**

MULTI COMMODITY EXCHANGE CLEARING CORPORATION LIMITED

POLICY RELATING TO AVOIDANCE OF CONFLICT OF INTEREST BY DIRECTORS AND KEY MANAGERIAL PERSONNEL

Preamble:

This policy is framed to promote good governance at the Organization in accordance with the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("SECC Regulations").

The requirements for avoidance of conflict of interest are laid down in various legislations, such as:

1. The Companies Act, 2013 in Section 184 – 'Disclosure of interest by Director' states the need for Directors to disclose the nature of their concern or interest in other organisations at the first meeting of the Board in which they participate and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made.

2. Clause (a) of Point no. 3 of Para B of Part II of the Company's 'Code of Conduct for the governing board, directors, committee members and key management personnel at MCXCCL' states that no director or Committee Member of the stock exchange or clearing corporation shall participate in any decision making/adjudication in respect of any person/matter in which he/she is in any way, directly or indirectly, concerned or interested.

3. Clause 4(2)(f)(i) in Chapter II of Listing Regulations which mandates disclosure of information, with a view to avoid conflict of interest wherein it states that the Members of board of directors and key managerial personnel shall disclose to the board of directors whether they directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Company.

4. Clause (a) of Point no. 1 of Para B of Part II of the Company's 'Code of Conduct for the governing board, directors, committee members and key management personnel at MCXCCL' ' states that the Directors and Committee Members shall not participate in discussions or vote 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.

5. Regulation 24(5) of SECC Regulations states that - A Public Interest Director on the board of a recognized stock exchange or a recognized clearing corporation shall keep its governing board apprised of any conflict of interest, which may arise as a result of the public interest director providing services, either directly or indirectly, to any company listed or traded on that recognized stock exchange, to any trading member or clearing member or their associates and agents.

Salient features of the policy for avoidance of conflict of interest

The contents in this policy would be in addition to the existing provisions in any other policies and enactments of the Regulators and the Government.

'Avoiding a conflict of interest' means that the Directors and the Key Managerial/Management Personnel take decisions or actions to ensure that a conflict of interest does not occur or does not have the potential to occur, in the first place.

'Company' means the Multi Commodity Exchange Clearing Corporation Limited (MCXCCL).

'Conflict of interest' means any personal interest or association of a director or KMP, which is likely to influence the decision of the MCXCCL in a matter, as viewed by an independent third party.

'Disclosure' means sharing the details in writing about the existence, nature, and all relevant facts of a conflict of interest.

'**Key Managerial/Management Personnel' (KMP)** means a Key Managerial Personnel as defined under section 2(51) of the Companies Act, 2013 and Key Management Personnel as defined under Regulation 2 (1) (j) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and any other persons as prescribed by the Governing Board from time to time.

The Company understands that avoiding a conflict of interest may not always be possible or practical. The Directors and the Key Managerial Personnel ("KMP") who does not or cannot avoid a conflict of interest has to make disclosure of all relevant facts relating to the conflict of interest.

Having a conflict of interest is not necessarily wrong. However, it can become a problem or a legal matter if not addressed properly. When conflict of interest occurs, the best way is to address the conflict of interest by a process of identifying and implementing strategies and practices to minimize the risks associated with the disclosed conflict of interest. The best way to mitigate potential risks to the business interests and reputation of Company is to exclude the interested Director and/or the KMP from any role where he/she can make decisions about or influence the outcome of the matter wherein they are interested.

The following are illustrative and not exhaustive list of the events and instances which could be considered as conflict of interest and Directors and KMPs need to avoid the same:

1. Directors and KMPs shall avoid involving in actual or potential conflict of interest. A situation of conflict of interest arises when the interest or benefits of one person or entity conflict with the interest or benefits of the Company.

2. Directors and KMPs shall not be associated with any Trading and/or Clearing Members and/or their associates and agents.

3. Directors and KMPs shall disclose instances or nature of their concern or interest in other organisations or entities.

4. Directors and KMPs shall disclose if a provision of related party transaction is applicable wherein they and/or their associates and/or their agents are one or more of the parties to a transaction with the Company.

5. Director or KMP, who is directly or indirectly interested in any matter coming up for consideration at a Meeting of the Board, shall disclose the nature of his interest at such Meeting.

   Director or KMP shall not take part in any deliberation or discussion of the Board with respect to such matter except to the extent of professional advice if sought by the Board

6. Directors and KMPs shall always comply with the provisions of the extant code of conduct as applicable to them from time to time, as framed by the Company and/or the Regulators and/or mandated by provisions in any under any law, directions, guidelines or notifications of the Government and/or the Regulator.

Breach of this Policy

Breach of this Policy will be dealt in accordance with the extant provisions in law and related actions being initiated.

Disclosure, *per se*, shall not be construed as compliance. Even upon disclosure, a breach may persist and in which case the Board of Directors/the Regulator may take appropriate decision based on the nature of disclosure and nature of breach that has occurred.

Compliance with the contents of this Policy

All Directors and KMPs shall, at the time of their appointment, sign the copies of this policy evidencing that they have gone through the Policy document, understood the contents thereof and agree to comply with the provisions of the Policy. Further, the Directors and KMPs shall sign this Policy annually.

Further, all the Directors and KMPs will disclose their interest annually or as decided by the Board from time to time & as and when required.

The information as disclosed by any Director or KMP under this policy, shall be kept confidential except where there is any legal or regulatory obligation to disclose such information.

Review of the Policy

The Policy shall be reviewed by the Regulatory Oversight Committee as and when required or at least once in two years and changes made therein, if any, shall be approved by the Board.