



Creating robust investment culture

ASSOCIATION OF INVESTMENT BANKERS OF INDIA

**CODE OF CONDUCT FOR AIBI MEMBERS
DIRECTORS &
KEY MANAGEMENT PERSONNEL**

ASSOCIATION OF INVESTMENT BANKERS OF INDIA

A-302, Kanakia Zillion, L.B.S. Marg, Kurla (W), Mumbai 400 070.

Board line: +91-22 4824 8928 / 4778 7991

Website: www.aibi.org.in

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INDEX:

Sr. No.	Particulars	Pg. No.
1	Preamble	4
2	Objectives	4
3	Applicability	5
4	Definition	5
5	Code of Conduct for AIBI Members	6
6	Code Of Conduct for AIBI Board	7
7	Code Of Conduct for Directors And Key Management Personnel	9
8	Review Of This Code	11

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Code of Conduct for AIBI Members, Directors and Key Management Personnel of AIBI

1. **Preamble:**

The Code of Conduct (hereinafter referred to as “**Code**”) for the AIBI Members, Directors and Key Management Personnel of Association of Investment Bankers of India (hereinafter referred to as “**AIBI**”) is aimed at improving the professional, conduct and ethical standards in the functioning of the AIBI, thereby creating better regulators and stakeholder confidence.

This Code has been framed keeping in view all applicable laws, regulations, and guidelines governing investment banking and merchant banking activities, including those set forth by regulatory authorities such as the Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”)

This Code of Conduct would serve as our compass, guiding us to act with unwavering integrity and a dedication towards positive societal impact. We will endeavor to embrace innovation that fosters inclusivity and sustainability, recognizing that our collective strength lies in ethical conduct and shared prosperity.

2. **Objectives:**

This Code endeavors to establish a minimum level of business and professional ethics to be followed by the AIBI Members, Directors and Key Management Personnel towards establishing a fair and transparent marketplace. The Code of Conduct is based on the following fundamental principles:

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- i. Fairness, honesty and transparency in dealing with matters relating to the AIBI including in accordance with all applicable laws/ rules/ regulations.
- ii. Exercising requisite skill and due diligence in the performance of duties.
- iii. Avoidance of conflict of interest of the AIBI Members, Directors, and Key Management Personnel in their personal / professional roles with the interests of AIBI.

3. Applicability:

This Code shall be applicable to the Members, Directors, and Key Management Personnel of the AIBI.

4. Definition:

The definitions of some of the key terms used in this Code are given below.

4.1. “**Directors**” means the Directors appointed on the Board of AIBI.

4.2. “**Board**” means the Board of Directors of AIBI.

4.3 “**Key Management Personnel**” or “**KMP**” means

- i. any person appointed as the managing director or executive director; or chief executive officer
- ii. a person serving as head of any department or vertical and directly reports to the managing director or to the directors on the board of the AIBI; or
- iii. a person who stands higher in hierarchy to the head of any department(s) handling core function(s) in the AIBI; or
- iv. reporting officials of key management personnel; or
- v. any person defined as a “key managerial personnel” under the Companies Act, 2013;

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- vi. any other person who is key decision making authority at the level of the AIBI or its direct, as identified by the AIBI Board

4.4 **“Member”**: A SEBI Registered Merchant Banker, having valid registration, who is not debarred for accessing capital market and /or suspended from undertaking any Merchant Banking activity by SEBI or any other Regulatory Authority in India and is registered with AIBI as a Member.

5. **Code of Conduct for AIBI Member:**

All Members shall:

- i. Adhere to all the publication / announcement of AIBI viz. **“Due Diligence Manual”, “Compendium of AIBI Directives”, “Preparing Offer Document: Standard Practices & Disclosures”** or any other material / book(s) published or announced by AIBI, as applicable.
- ii. Ensure that they follow best practices laid down for development of primary market including the announcement / publication approved / authorized by the AIBI.
- iii. ensure adequacy of resource allocation (including financial, human and such other resources as may be required) towards regulatory compliances.
- iv. ensure that they engage in fair and transparent practices in all their dealings including providing regulators and stakeholders with accurate and timely information to enable informed decision-making.
- v. cooperate with AIBI to establish mechanisms for monitoring compliance with this code of conduct
- vi. at all times ensure compliance with applicable legal, accounting, tax, IT security and regulatory reporting requirements (including the Timely submission of required filings).
- vii. maintain business continuity measures to protect staff, critical businesses, and functions in the event of a business disruption

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- viii. promptly report any concerns regarding records that contain questionable or inaccurate information; or any instance where an individual is misusing or not appropriately safeguarding the organization's Information.
- ix. adhere to and comply with all applicable laws, regulations, and guidelines governing investment banking and merchant banking activities, including those set forth by the Securities and Exchange Board of India or the BSE Limited or the National Stock Exchange of India Limited or otherwise.
- x. actively participate in knowledge sharing and increasing awareness about securities laws among general population and specially the clients and fellow members
- xi. encourage the environmental, social, and governance (ESG) impact of their work, integrating ESG factors into client advice, encouraging investment in sustainable businesses, and avoiding involvement in transactions that could have apparent negative social or environmental consequences.

6. Code of Conduct for AIBI Board:

The Board shall:

- xii. ensure adequacy of resource allocation towards regulatory compliances.
- xiii. focus on strategy, policy level issues and important matters and may review the day-to-day operational matters only in exceptional cases.
- xiv. ensure a culture of effective communication and challenge (i.e., encourage alternate views or questions from individuals and groups) and value and respect it.
- xv. periodically review the frequency of meetings and agenda items of the Board to ensure that the number of meetings is rationalized and all important issues are discussed.

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- xvi. establish mechanisms for effective monitoring and implementation of the code of conduct including taking disciplinary actions against Members found to have violated its provisions, uphold a healthy work culture in the AIBI.
- xvii. endeavor that the AIBI put in place key elements related to culture such as:
 - a. adequate training programs to help employees better understand expectations of behavior (for example, trainings on professional conduct, POSH, etc);
 - b. such personal conduct as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.
 - c. creating an environment to nurture innovation and thought leadership in capital markets
- xviii. foster and promote honesty, fairness and transparency in all their dealings.
- xix. Maintaining business continuity measures to protect staff, critical businesses, and functions in the event of a business disruption, ensure accuracy in maintenance of all records, information or documents and implementing frameworks and processes for maintaining confidentiality and proper use of such information.
- xx. Fostering and promoting an inclusive and non-discriminatory work environment for all employees.
- xxi. The Board must educate all employees, stakeholders, Members, Key Managerial Persons and persons connected or associated directly or indirectly with AIBI to adhere and comply with all applicable laws, regulations, and guidelines governing investment banking and merchant banking activities, including those set forth by the Securities and Exchange Board of India or the BSE Limited or the National Stock Exchange of India Limited.

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- xxii. Promoting initiatives for improving general awareness and knowledge about securities laws and capital markets amongst the general population including the clients of its Members
- xxiii. Encouraging Members to consider the environmental, social, and governance (ESG) impact of their work, integrating ESG factors into client advice, encouraging investment in sustainable businesses, and avoiding involvement in transactions that could have apparent negative social or environmental consequences.

7. Code of Conduct for Directors, Members and key management personnel:

- i. Conduct themselves with professionalism and integrity at all times, maintaining the highest ethical standards in their dealings with all stakeholders, clients, colleagues, and the public.
- ii. Analyse and administer the issues with professional competence, fairness, impartiality, efficiency and effectiveness
- iii. Submit the necessary disclosures as required by the AIBI from time to time as per its Rules, Bye-laws, Articles of Association, or Policies;
- iv. Unless otherwise required by law, maintain confidentiality and not divulge or disclose any information obtained in the discharge of their duty and no such information is used for personal gains;
- v. Maintain the highest standards of personal integrity, truthfulness, honesty and fortitude in discharge of their duties in order to inspire public confidence and not engage in acts discreditable to their responsibilities;
- vi. Perform their duties with a positive attitude and constructively support open communication, creativity, dedication, and compassion;
- vii. Refrain from engaging in any act involving moral turpitude, dishonesty, fraud, deceit, or misrepresentation or any other act prejudicial to the administration of the AIBI

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- viii. Refrain from committing any act which will put the reputation of the AIBI in jeopardy
- ix. The conduct of their business, observe high standards of commercial honor and; just and equitable principles of trade
- x. In their conduct in business life be exemplary which may set a standard for others.
- xi. All information, personal or otherwise, especially which is proprietary, non-public and price sensitive, shall be kept confidential and not be used for any personal consideration or gain.
- xii. Implementing robust risk management practices to identify, assess, and mitigate risks associated with their business activities. They should have systems and controls in place to ensure the prudent management of client assets and investments.
- xiii. To ensure that team members understand that business results are never more important than ethical conduct and compliance with applicable law and the policies.
- xiv. To create a culture in which team members feel comfortable asking questions and raising ethical concerns without fear of retaliation.
- xv. Ensure that all aspects of the employment relationship are free from bias and that decisions are based upon individual performance and merit.
- xvi. Avoiding conflicts of interest and disclosure of any potential conflicts to clients and relevant stakeholders. They must act in the best interests of their clients and avoid engaging in activities that could compromise their independence or objectivity.
- xvii. Actively pursue continuing education and professional development opportunities to enhance their knowledge, skills, and competencies in investment banking and merchant banking practices.
- xviii. Promote diversity and inclusion within their organizations and the broader industry, fostering an environment that is peaceful and

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respects and values the contributions of individuals from diverse backgrounds.

- xix. Establish effective mechanisms for handling client complaints and grievances, ensuring prompt and fair resolution of disputes in accordance with applicable laws and regulations.
- xx. Ensuring systems are put in place for maintaining and maintaining accurate and complete records of transactions and communications.
- xxi. Prioritize the interests of their clients and act in a manner consistent with the principles of client protection and investor rights. They should provide clients with clear and comprehensive explanations of products, services, and associated risks.

8. Review of this Code:

This Code shall be reviewed and amended if there are any regulatory changes requiring modifications to this Code. However, the amended regulatory requirements will supersede this Code till the time it is suitably amended.

In addition to what is stated above all the members on continues basis shall adhere to the Code of Conduct specified by SEBI under SEBI (Merchant Banker) Regulations, as amended.

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