KSN CREDENCE COMMODITIES TRADING PRIVATE LIMITED

EMPLOYEE INCENTIVE POLICY

1. Preamble

KSN Credence Commodities Trading Private Limited ("the Company") is committed to conducting its business with integrity, transparency, fairness and in compliance with all applicable laws and regulatory requirements.

The Company recognizes that a well-designed employee incentive framework promotes productivity, efficiency, innovation and business growth. At the same time, the Company acknowledges its regulatory obligations as a SEBI-registered intermediary and is committed to ensuring that no incentive structure directly or indirectly encourages excessive trading, mis-selling, unsuitable investment recommendations, or any practice detrimental to the interests of investors.

Accordingly, this Employee Incentive Policy has been formulated to establish a transparent, objective and compliance-oriented framework for rewarding employee performance while safeguarding investor interests and ensuring adherence to applicable regulatory requirements.

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2. Objective

The objectives of this Policy are to:

- establish a fair and transparent performance-based incentive framework;
- encourage ethical conduct, professionalism and accountability;
- reward employees for their contribution towards the Company's growth and operational excellence;
- promote compliance with applicable laws, regulations and internal policies;
- encourage quality customer service and operational efficiency; and
- ensure that employee incentives do not conflict with the interests of clients or applicable regulatory requirements.

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3. Applicability

This Policy shall apply to all eligible permanent employees of the Company unless otherwise determined by the Management.

The Board of Directors or the Management may specify separate eligibility criteria or incentive structures for different departments, functions or employee categories.

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4. Regulatory Framework

This Policy has been framed having regard to the applicable provisions of:

- the Companies Act, 2013;
- the Securities and Exchange Board of India Act, 1992;
- the SEBI (Stock Brokers) Regulations, 1992 and other applicable SEBI regulations;
- applicable SEBI Master Circulars, circulars, guidelines and directions issued from time to time;
- Bye-laws, Rules and Regulations of the Stock Exchanges and Depositories of which the Company is a member;
- the Prevention of Money Laundering Act, 2002 and applicable Rules;
- Know Your Customer (KYC) and Anti-Money Laundering (AML) requirements; and
- all other applicable laws, rules, regulations and internal policies of the Company.

In the event of any inconsistency between this Policy and any applicable law or regulatory direction, the applicable law or regulatory direction shall prevail.

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5. Guiding Principles

The Company's incentive framework shall be based upon the following principles:

- fairness and transparency;
- ethical business conduct;
- client-centric approach;
- regulatory compliance;
- accountability;
- operational excellence; and
- sustainable business development.

The Company shall ensure that incentive structures are designed in a manner consistent with investor protection and sound governance practices.

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6. Performance Evaluation

Employee performance may be assessed on one or more of the following parameters, depending upon the nature of duties assigned:

- achievement of business objectives;
- operational efficiency and accuracy;
- quality of customer service;
- compliance with internal policies and regulatory requirements;
- quality of documentation;
- teamwork and collaboration;
- discipline and attendance;
- initiative and innovation;
- contribution towards organizational development; and
- any other performance parameter determined by the Management.

Business performance shall not be the sole criterion for determining incentives.

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7. Incentive Structure

The incentive payable under this Policy shall be determined by the Management after considering, among other factors:

- individual performance;
- departmental performance;
- overall performance of the Company;
- quality of work;
- compliance record;
- client service standards;
- risk management practices; and
- any other relevant qualitative or quantitative factor.

Payment of incentive shall always remain discretionary and shall not constitute a part of the employee's fixed salary or create any vested or contractual right.

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8. Compliance and Investor Protection

Compliance with applicable laws and ethical standards shall be a mandatory condition for consideration of incentives.

The Company shall ensure that:

- no incentive structure directly or indirectly encourages excessive trading, churning of client accounts or generation of unnecessary transactions;
- no employee is incentivized to induce or influence clients to undertake investments or trades contrary to their financial objectives, suitability or applicable regulatory requirements;
- no incentive encourages mis-selling of financial products or services;
- client interests remain paramount in all interactions; and
- all employees comply with applicable SEBI regulations, Stock Exchange requirements, Depository requirements and internal compliance policies.

Employees shall not make any promise of assured returns, guaranteed profits or misleading representations to clients.

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9. Employee Responsibilities

Every employee shall:

- act honestly, fairly and professionally;
- exercise due skill, care and diligence while dealing with clients;
- comply with all applicable laws, SEBI regulations, Exchange Bye-laws and Company policies;
- adhere to KYC, AML and client due diligence requirements;
- maintain confidentiality of client information;
- avoid conflicts of interest;
- promptly report any actual or suspected regulatory violation, fraud or unethical conduct; and
- cooperate during internal audits, inspections and regulatory examinations.

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10. Conflict of Interest

Employees shall avoid situations involving actual, potential or perceived conflicts of interest.

Any conflict of interest shall immediately be disclosed to the Compliance Officer or the Management in accordance with the Company's internal policies.

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11. Disqualification, Withholding and Recovery of Incentives

The Company may withhold, reduce, cancel or recover any incentive where an employee:

- violates applicable laws or regulations;
- breaches Company policies;
- is involved in fraud, misconduct or unethical practices;
- engages in mis-selling or client inducement;
- encourages excessive or unsuitable trading;
- fails to comply with KYC, AML or other regulatory requirements;
- causes financial, legal or reputational loss to the Company;
- is subjected to disciplinary proceedings; or
- is found responsible for any regulatory action initiated by a competent authority.

The decision of the Management regarding incentive eligibility shall be final.

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12. Governance

The implementation and administration of this Policy shall be carried out by the Management under the overall supervision of the Board of Directors.

The Board may delegate administrative responsibilities to such officer(s) as it may deem appropriate.

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13. Amendment

The Board of Directors reserves the right to amend, modify, review, suspend or withdraw this Policy, wholly or partly, at any time in accordance with applicable laws and business requirements.

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14. Interpretation

Any question regarding interpretation of this Policy shall be decided by the Board of Directors or any person authorized by the Board, whose decision shall be final and binding.

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15. Effective Date

This Policy shall be effective from **February 2021** and shall remain in force until amended, modified or withdrawn by the Company in accordance with applicable laws and regulatory requirements.

Disclaimer

This Policy is intended solely to govern employee incentives within KSN Credence Commodities Trading Private Limited. Nothing contained herein shall be construed as permitting or encouraging any employee to induce, influence or persuade any client to invest, trade or transact in any manner inconsistent with applicable laws, SEBI regulations, Stock Exchange or Depository requirements, or the Company's internal policies.

The Company remains committed to maintaining the highest standards of integrity, investor protection, regulatory compliance and ethical business conduct in all its activities.