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CENTINEL SECURITIES (PRIVATE) LIMITED

PAKISTAN STOCK EXCHANGE TRE CERTIFICATE NO. 551

CONFLICTS OF INTEREST POLICY

S.No.	Detail	Date
1.	Prepared by Compliance Officer	24 June 2025
2.	Reviewed & Approved by CEO	26 June 2025

CONFLICTS OF INTEREST POLICY

1. Introduction

1.1 A conflict of interest arises when an individual's personal interests could potentially interfere with their responsibilities in a position of trust. In the investment and trading industry, such situations are common. Centinel Securities (Pvt) Ltd. ("CSL"), operating exclusively as an online broker, earns revenue by offering products and services such as trading platforms, market insights, and information. While clients may expect guidance, the primary role of CSL is to support transactions, not to provide personalized advice. Therefore, any advice is incidental to facilitating the sale or purchase of investment products.

1.2 Conflicts of interest can compromise the achievement of client goals and undermine trust. CSL is committed to identifying, minimizing, and managing such conflicts through transparent disclosures, the separation of functions, clear governance structures, and a strong focus on independence and integrity in decision-making processes.

1.3 The Securities and Exchange Commission of Pakistan (SECP), through Regulation 14 of the Securities Brokers (Licensing and Operations) Regulations, 2016, has laid down key principles regarding conflicts of interest. As per these regulations, securities brokers must take necessary measures, including the implementation of internal policies, to reduce and manage conflicts between the firm and its clients.

2. Policy Coverage

This policy applies to all members of the Board, employees (both operational and non-operational), and any individuals engaged with CSL under contract. It addresses situations where personal interests could influence professional judgment or responsibilities.

3. Understanding Conflict of Interest

3.1 There is no strict legal definition of "interest"; it broadly includes any personal involvement or association that might interfere with an individual's ability to act in CSL's best interests. Conflicts may be categorized as actual, potential, or perceived.

3.2 Interests may be financial or non-financial, including:

- **a)** Financial: any monetary benefit such as payments, consulting fees, equity stakes, loan forgiveness, or rights to intellectual property.
 - **b)** Non-financial: benefits like career advancement, academic recognition, or advantages to close family members or associates.
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4. Guiding Principles

4.1 Preventing and managing conflicts is vital to upholding ethical standards. CSL recognizes that employees may engage in legitimate outside activities, including research and consulting. However, these may occasionally pose conflicts if personal interests override professional responsibilities.

4.2 Employees are legally and ethically obligated to act in CSL's best interest. A breach of this duty may lead to disciplinary actions. All staff must actively ensure that personal interests do not compromise or appear to compromise their professional obligations.

5. Identifying Conflicts

5.1 Conflicts may result from family ties, business relationships, or personal gain. These situations can impair objectivity and potentially damage CSL's credibility. It's crucial that such situations are avoided or managed through timely disclosure.



5.2 All decisions must reflect CSL's best interests. Board members and staff must not only avoid conflicts but also the appearance of impropriety. Any potential conflict should be reported to senior management, and affected individuals must recuse themselves from related decisions.

6. Responsibilities of Leadership

6.1 The Board of Directors is responsible for ensuring mechanisms are in place to identify and manage conflicts. As fiduciaries, directors are prohibited from personally benefiting from their position unless explicitly permitted by the company's governing documents.

6.2 Senior management, due to their influential roles, must remain vigilant and avoid all forms of conflict. They must foster a culture of openness, integrity, and compliance.

6.3 Directors and senior staff must declare their interests. Additionally, they are responsible for guiding team members in identifying and addressing any potential conflicts, in consultation with leadership and according to this policy.

7. Situations Requiring Disclosure

Disclosure is necessary in circumstances including, but not limited to:

7.1 Engaging in contracts or transactions on behalf of CSL with entities in which the employee has a financial interest.

7.2 Influencing procurement decisions involving businesses where the employee or their family holds a stake.

7.3 Accepting gifts or favors from individuals or companies doing business with CSL, beyond nominal or customary courtesies.

7.4 Assigning tasks to CSL staff or customers that benefit a company linked to the employee.

7.5 Using company assets or resources for personal or related-party benefit.

7.6 Leveraging one's position for securing a job within CSL.

7.7 Participating in hiring, promoting, or evaluating a close relation.

7.8 Using official position to further the personal interests of another CSL employee.

8. Preventive Measures

Employees must actively avoid any situation that may result in a conflict. Management has observed incidents where relationships were concealed to influence hiring decisions. Such behavior is contrary to CSL's standards and will be addressed seriously.

9. Managing Conflicts

9.1 As part of their fiduciary duties, employees must identify and report any potential or actual conflicts to ensure objective performance.

9.2 Conflicts or situations likely to cause perceived conflicts must be reported to the CEO or the Directors.

9.3 Disclosures should be made promptly and in writing to the appropriate authority when a conflict is recognized.

9.4 Any individual involved in a matter under discussion at the Board level must declare their interest before deliberations begin.

9.5 Board members must also disclose any involvement in issues under review by a committee or the Board.

9.6 All disclosures should be recorded in official minutes. The involved individual must not participate in the discussion or decision-making and will be excluded from quorum considerations.

9.7 Adherence to this policy is mandatory. Failure to comply may result in disciplinary actions ranging from formal warnings to dismissal, depending on the severity of the violation.



10. Policy Violations

If a conflict was not disclosed beforehand, the CEO must be informed immediately.

10.1 If the CEO reasonably believes a conflict was intentionally hidden, the individual will be informed of the concerns and given an opportunity to respond.

10.2 After reviewing the situation, the CEO may take corrective steps, which could include a warning, financial penalty, or termination, depending on the outcome of the investigation.

APPROVED BY





CHIEF EXECUTIVE OFFICER