Policy on Outsourcing of Activities

Version 1.1

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Document Control Page

Revision History

Version Number	Description
1.0	Policy on Outsourcing of Activities – Initial Release
1.1	Policy on Outsourcing of Activities – Changes as per regulatory requirement have been recommended and adopted

Authorizations

Ver. No.	Prepared / Revised		Reviewed		Approved	
	By	Date	By	Date	By	Date
1.1	Palash Sachdeva	01.12.25	Ranjit Parmar	04.12.25	BOD	08.12.25

POLICY ON OUTSOURCING OF ACTIVITIES

I. INTRODUCTION:

Findoc Investmart Private Limited (herein after referred to as "the Company") is a Registered Intermediary with SEBI as a Stock Broker and Depository Participant. SEBI vide Circular CIR/MIRSD/24/2011 dated December 15, 2011, issued Guidelines on Outsourcing of Activities by Intermediaries ("SEBI Circular"). In terms of the said Circular, all intermediaries are required to have in place a comprehensive policy, duly approved by the board of directors, to guide the assessment of whether and how those activities can be appropriately outsourced.

As per SEBI guidelines, Outsourcing means the use of one or more than one third party (outsourcer/s) either within or outside the group – by a registered intermediary to perform the activities associated with services which the intermediary offers. In other terms, outsourcing involves transferring responsibility for carrying out an activity of an intermediary (Previously carried out internally) to an outsourcer for an agreed charge. The outsourcer provides services to the customer (Intermediary) based on mutually agreed service level, normally defined as per a formal contract.

Many commercial benefits have been ascribed to outsourcing, the most common amongst these being:

- Reduce the organization's costs
- Greater focus on core business by outsourcing non-core functions
- Access to world-class skills and resources

II. SCOPE & OBJECTIVE:

The key purpose and objective of this policy is to further specify inter-alia about:

a) Establishing a comprehensive risk management programme to address the outsourced activities and the relationship with Service Provider.
b) Conduct due diligence of the Service Provider to ascertain the credibility and capability of the Service Provider.
c) Maintain confidentiality of the information that is outsourced.
d) Ensure compliance with the laws and regulations in force from time to time.
e) Protect the Company reputation.
f) Conduct outsourcing of activities in accordance with this policy.
g) Identity the nature of activities which can be or cannot be outsourced.
h) Identify the supervisors and fix their responsibilities.

III. NATURE OF ACTIVITIES WHICH CAN BE OUTSOURCED:

In the light of this policy and in due Compliance of SEBI circular dated December

15, 2011, Findoc Investmart Private Limited may outsource the following activities relating to record keeping.

- To store and preserve KYC forms with all safety, security and in confidential manner
- To retrieve and provide the scanned /photocopied / original KYC form as per the requirements from time to time and to maintain proper documents in this respect.

IV. NATURE OF ACTIVITIES WHICH CANNOT BE OUTSOURCED:

The Company shall not outsource its core business activities and compliance functions. An activity shall also not be outsourced if such outsourcing would impair the Board's right to assess, or its ability to supervise, the business of the Company. Being a SEBI registered intermediary, the following core activities shall not be outsourced:

a. Execution of orders
b. Monitoring of trading activities of clients and other transactions like pledge, freeze, etc.
c. Dematerialisation of securities
d. Investment related activities
e. Monitoring and redressal of investor grievances.
f. Compliance Function
g. Investment related activities in case of Mutual Funds and Portfolio Managers.
h. Regarding Know Your Client (KYC) requirements, company shall comply with the provisions of SEBI {KYC (Know Your Client) Registration Agency} Regulations, 2011 and Guidelines issued there under from time to time.

V. SELECTION OF AN OUTSOURCED PARTNER:

The Company shall conduct appropriate due diligence in selecting the third party to ensure that the third party has the ability and capacity to undertake the provision of services effectively. The due diligence shall include assessment of:

a. third party’s resources and capabilities, including financial soundness, to perform the outsourcing work within the timelines fixed;
b. compatibility of the practices and systems of the third party with the Company’s requirements and objectives;
c. market feedback of the prospective third party business reputation and track record of the services rendered in the past;
d. level of concentration of the outsourced arrangements with a single third party;
e. Where the service provider is located in a foreign jurisdiction, the Company shall assess the legal, regulatory, economic and political environment of such jurisdiction and the associated country risk.
f. Business Continuity and Disaster Recovery Plan in place so as to ensure uninterrupted service to the Company and for taking care of contingencies.

Outsource parties/Vendor should not be allowed to further assign/sub-contract the activities to any third party without the Company's consent in writing. It may be permitted only when a vendor has entered into back to back agreement with the third party and after doing due diligence on such third party.

The Compliance Officer shall be the approving authority for appointment of outsourced vendor in terms of this Policy.

VI. OUTSOURCING TO GROUP COMPANIES:

The Company may outsource its activity to any of its Group Companies to act as the Service Provider. The Company shall ensure that an arm's length distance is maintained in terms of manpower, decision–making, record keeping, etc, for avoidance of potential conflict of interests between the Company and Group Companies and accordingly necessary disclosures in this regard shall be made as part of the outsourcing agreement.

VII. CONTROLS TO REDUCE THE RISKS ASSOCIATED WITH OUTSOURCING:

Outsourcing relationships shall by governed by written contracts / agreements /terms and conditions (as deemed appropriate) {hereinafter referred to as "contract"} that clearly describe all material aspects of the outsourcing arrangement, including the rights, responsibilities and expectations of the parties to the contract, client confidentiality issues, termination procedures, etc. Typically, Outsourcing Agreement / Contract may include the following: -

- Outsourcing arrangements governed by a clearly defined and legally binding written contract between the__ and each of the third parties.
- Outsourcing contract:
    - Clearly defines what activities are going to be outsourced, including appropriate service and performance levels;
    - Provides for mutual rights, obligations and responsibilities of the Company and the third party, including indemnity by the parties;
    - Provides for the liability of the third party to the Company for unsatisfactory performance/other breach of contract.
    - Provides for the continuous monitoring and assessment by of the third party so that any necessary corrective measures can be taken up immediately;
    - includes, where necessary, conditions of sub-contracting by the third party, i.e. the contract shall enable to maintain a similar control over the risks when a third party outsources to further third parties as in the original direct outsourcing;
    - Has unambiguous confidentiality clauses to ensure protection of proprietary and customer data during the tenure of the contract and also after the expiry of the contract;
    - Specifies the responsibilities of the third party with respect to the IT security and contingency plans, insurance cover, business continuity and disaster recovery plans, force majeure clause, etc.;

- Provides for preservation of the documents and data by third party ;
- Provides for the mechanisms to resolve disputes arising from implementation of the outsourcing contract;
- Provides for termination of the contract, termination rights, transfer of information and exit strategies;
- Neither prevents nor impedes the from meeting its respective regulatory obligations, nor the regulator from exercising its regulatory powers; and
- Provides for company and /or the regulator or the persons authorized by it to have the ability to inspect, access all books, records and information relevant to the outsourced activity with the third party.

VIII. CONFIDENTIALITY OF CLIENT INFORMATION:

The Company is expected to take appropriate steps to protect its proprietary and confidential customer information and ensure that it is not misused or misappropriated. The Company shall prevail upon the Service Provider to ensure that the employees of the Service Provider have limited access to the data handled and only on a “need to know” basis and the Service Provider shall have adequate checks and balances to ensure the same. In cases where the Service Provider is providing similar services to multiple entities, the Company shall ensure that adequate care is taken by the Service Provider to build safeguards for data security and confidentiality.

IX. DISASTER RECOVERY PLAN/SAFEGAURDS:

- The company and its third parties establish and maintain contingency plans, including a plan for disaster recovery and periodic testing of backup facilities.
- Specific contingency plans are separately developed for each outsourcing arrangement, as is done in individual business lines.
- The concerned Senior Management shall take appropriate steps to assess and address the potential consequence of a business disruption or other problems at the Service Provider level. Notably, it shall consider contingency plans at the Service Provider level; co-ordination of contingency plans at both levels and in the event of non-performance by the Service Provider.
- The company shall ensure that third party maintains appropriate IT security and robust disaster recovery capabilities.
- Periodic review of the critical security procedures and systems of the backup facilities shall be undertaken by the company.
- The company shall take appropriate steps to require that third parties protect confidential information of both the company and its customers from intentional or inadvertent disclosure to unauthorized persons.
- The company shall take appropriate steps to protect its proprietary and confidential customer information and ensure that it is not misused or misappropriated.
- The company prevails upon the third party to ensure that the employees of the third party have limited access to the data handled and only on a “need

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to know" basis and the third party have adequate checks and balances to ensure the same.

- In cases where the third party is providing similar services to multiple stock broker entities, ensures that to ensure that strong safeguards are put in place by the third party to build safeguards for data security & confidentiality and there is no comingling of information /documents, records and assets.

X. MAINTENANCE OF RECORDS:

The records relating to all activities outsourced shall be preserved so that the same is readily accessible for review by the Board of the Company and / or its senior management, as and when needed.

XI. CLARIFICATION/INFORMATION:

In case of any clarification/information required on the implementation of the Policy, please contact the Compliance Officer on Email – compliance@myfindoc.com, Tel No. 9803014999.

XII. POLICY REVIEW:

The Policy shall be reviewed annually or as and when any update comes change in the Relevant Regulation comes or any change in the Company's internal control or Structure whichever is earlier. It is responsibility of Board of Directors and Compliance Officer to ensure that all the ongoing outsourcing decisions taken by the Company and the activities undertaken by the outsourced party are in consonance with the outsourcing policy. They shall also be responsible for assessing and evaluating the risks such as operational risk, reputational risk, legal risk, country risk, exit-strategy risk, counter party risk, etc. during the review. The Company shall also review the financial and operational capabilities of the third party in order to assess its ability to continue to meet its outsourcing obligations.