

### **THIRD SCHEDULE**

**[See regulation 16]**

### **CODE OF CONDUCT**

### **SECURITIES AND EXCHANGE BOARD OF INDIA (VAULT MANAGERS) REGULATIONS, 2021**

1. While providing vaulting services, the Vault Manager shall:
  - i. be prompt in providing vaulting services to the beneficial owners.
  - ii. take reasonable care to organize and control its affairs responsibly and effectively, with adequate risk management systems.
  - iii. maintain adequate financial resources.
  - iv. observe proper standards of market conduct in all their businesses relating to vaulting services.
  - v. maintain the highest standards of integrity, fairness and professionalism in the discharge of its duties.
  - vi. exercise due diligence in safe-keeping of the assets of the beneficial owners in its custody for which it is acting as a Vault Manager.
  - vii. be continuously accountable for the movement of gold between its own authorized vaults and shall provide complete audit trail, whenever called for by the Board.
  - viii. establish and maintain adequate infrastructural facility to be able to discharge vaulting services.
  - ix. ensure that all operating procedures of the Vault Manager shall be well documented and backed by operation manuals.
  - x. maintain confidentiality in respect of the information of the beneficial owner.
  - xi. take necessary precautions to ensure that continuity in record keeping, where the records are kept electronically, is not lost or destroyed and that back up of entire records is available.

- xii. extend to other Vault Managers, depositories and clearing organizations all such cooperation that is necessary for the conduct of business in the areas of inter-vault settlements, transfer and withdrawal of gold.
- xiii. ensure that an arm's length relationship is maintained, both in terms of staff and systems, from its other businesses.
- xiv. be liable for loss of or any damage to the gold caused by its failure to exercise such care and diligence in regard to the gold as a careful and vigilant owner of the gold would exercise while in custody of the gold.