

# PROSPERA FINSTOCKS PRIVATE LIMITED

## POLICY FOR OUTSOURCING OF ACTIVITIES

### Introduction

PROSPERA FINSTOCKS PRIVATE LIMITED is a registered Intermediary with the Securities and Exchange Board of India ("SEBI"). 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 to guide the assessment of whether and how those activities can be appropriately outsourced, duly approved by the board of directors.

Outsourcing is defined as the use of one or more than one third party – either within or outside the group - by a registered intermediary to perform the activities associated with services which the intermediary offers.

### Activities that cannot be outsourced:

The Company shall not outsource any activity that 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) Compliance function
- b) Monitoring and redressal of investor grievances.
- c) Execution of transfer of securities and other transactions like pledge, freeze, etc.
- d) Dematerialisation of securities

**Note – No core activities of PROSPERA FINSTOCKS PRIVATE LIMITED shall be outsourced.**

### Selection of an outsourced partner:

*1. 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. Level of concentration of the outsourced arrangements with a single third party
- c. Business Continuity and Disaster Recovery Plan in place so as to ensure uninterrupted service to the Company and for taking care of contingencies.

- d. Compatibility of the practices and systems of the third party with the Company's requirements and objectives
  - e. Market feedback of the prospective third-party business reputation and track record of the services rendered in the past
2. *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.*
  3. *The Director shall be the approving authority for appointment of outsourced vendor in terms of this Policy*

#### 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.

#### Outsourcing contracts:

1. Outsourcing relationships will be governed by written contract arrangements/ terms and conditions that clearly describe all material aspects of the outsourcing arrangement, including the rights, responsibilities and expectations of the parties to the contract, termination procedures.
2. Care shall be taken to ensure that the outsourcing contract covers the clauses specifically required to be incorporated in terms of the SEBI Circular.
3. No outsourcing arrangement should impair the ability of the Company / Auditor /Regulator to exercise its responsibility of supervision/inspection.

#### Confidentiality of client's 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.

#### 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.

#### Policy Review:

The Policy shall be reviewed annually by the Board of Directors of the Company. 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.

**Policy last reviewed on April 30, 2026  
VER 2.0**

**For Prospera Finstocks Pvt. Ltd.**

**Mr. Shubham Jain  
Director**