GOODFLOW SECURITIES PRIVATE LIMITED

RISK MANAGEMENT SYSTEM (RMS) POLICY

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1. OBJECTIVE

The objective of this Risk Management System ("RMS") Policy is to establish a simple, effective and prudent framework for identifying, monitoring and controlling risks arising from client trading and proprietary trading activities of **Goodflow Securities Private Limited ("GFS" or "the Company")**.

The policy is intended to:

- protect the interests of clients and the Company;
- ensure adequate control over client exposures and trading limits;
- ensure timely collection and monitoring of margins;
- minimise credit, market, liquidity, operational and settlement risks; and
- ensure compliance with applicable SEBI, Stock Exchange and Clearing Corporation requirements.

The regulatory requirements prescribed by SEBI, NSE, BSE, MCX and the respective Clearing Corporations from time to time shall prevail over this Policy wherever there is any inconsistency.

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2. SCOPE

This policy shall apply to all client and proprietary trading activities undertaken by GFS in the segments and exchanges for which the Company is registered.

The RMS framework shall be proportionate to the size and nature of the Company's business and may be strengthened as the client base, trading volumes and products increase.

The Policy shall apply to the segments/products for which GFS is duly registered/authorised with the respective Exchange and Clearing Corporation from time to time.

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3. REGULATORY FRAMEWORK

The RMS shall be administered in accordance with:

- applicable SEBI Acts, Regulations, Circulars and Guidelines;
- applicable Rules, Bye-laws, Regulations and Circulars of NSE, BSE, MCX and other relevant exchanges;
- applicable Clearing Corporation requirements;
- applicable requirements relating to margin collection, client collateral, segregation and reporting; and
- any other applicable statutory or regulatory requirements.

In case of any conflict between this policy and any applicable regulatory requirement, **the regulatory requirement shall prevail**.

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4. GOVERNANCE AND RESPONSIBILITY

The **Board of Directors** shall have overall oversight of the RMS framework and shall approve this policy.

The **Compliance Officer / designated RMS personnel** shall be responsible for implementation and monitoring of the RMS.

The RMS function shall, as applicable:

- monitor client margins and exposures;
- monitor client debit balances;
- monitor trading limits and risk alerts;
- monitor concentration and abnormal exposures;
- ensure appropriate risk controls are operational; and
- report material risk issues to senior management / the Board.

Any material risk event or significant exception shall be escalated appropriately.

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5. CLIENT ACCOUNT ACTIVATION

Client trading accounts shall be activated only after completion of applicable:

- KYC requirements;
- account opening formalities;
- client due diligence;
- documentation requirements; and
- segment activation requirements.

Trading access shall be provided only to duly authorised and activated clients.

Changes to client profile, activation of additional segments, modification of trading permissions or other material account changes shall be carried out only upon receipt of appropriate client request/authorisation and completion of applicable verification.

GFS may suspend or restrict a client account where required due to regulatory requirements, risk considerations, non-payment, suspicious/unusual activity, system issues or other legitimate reasons.

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6. MARGIN AND COLLATERAL

GFS shall collect margins from clients in accordance with applicable SEBI, Exchange and Clearing Corporation requirements.

Where upfront margin collection is prescribed, the required margin shall be collected before permitting the relevant trades.

The type and value of collateral accepted by GFS shall be determined in accordance with:

- regulatory requirements;
- exchange / clearing corporation requirements;
- liquidity of the collateral;
- market conditions; and
- the Company's internal risk assessment.

GFS may impose additional margins or restrict the eligibility of particular securities/collateral wherever considered necessary from a risk management perspective.

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7. CLIENT EXPOSURE AND TRADING LIMITS

Client exposure and trading limits shall be determined by GFS based on:

- available margin and collateral;
- client risk profile;
- security liquidity;
- market conditions;
- applicable regulatory requirements;
- outstanding obligations; and
- Company's internal risk appetite.

GFS may reduce, modify, suspend or withdraw trading limits whenever considered necessary.

GFS shall not be obliged to provide leverage merely because a client has historically received such exposure.
Exposure may be reduced or withdrawn at any time based on market conditions or risk considerations.

The detailed RMS parameters shall be maintained separately as an operational RMS Parameter Matrix and may be revised by authorised management personnel from time to time

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