

# Conflict of Interest Policy

## 1. Introduction:

This Conflict-of-Interest Policy ("Policy") has been formulated by Qode Advisors LLP ("Portfolio Manager" or "PMS" or "Firm" or "LLP"), a Limited Liability Partnership registered under the Limited Liability Partnership Act, 2008, and registered as a Portfolio Manager with the Securities and Exchange Board of India ("SEBI") under Registration No. INP000008914.

This Policy emanates from and is formulated in compliance with:

- a. SEBI Circular No. CIR/MIRSD/5/2013 dated August 27, 2013 on "General Guidelines for dealing with Conflicts of Interest of Intermediaries, Recognised Stock Exchanges, Recognised Clearing Corporations, Depositories and their Associated Persons in Securities Market";
- b. Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ("PMS Regulations") and;
- c. Other applicable SEBI regulations, circulars, and guidelines issued from time to time.

The Portfolio Manager is committed to conducting its business with the highest standards of integrity, honesty, and professionalism, acting fairly and in the best interests of its clients at all times. This Policy establishes a comprehensive framework to identify, prevent, manage, and disclose conflicts of interest that may arise in the course of the Portfolio Manager's operations.

This Policy does not create any third-party rights or duties, nor does it form part of any contract between the Portfolio Manager and any client. However, it establishes internal obligations and procedures that guide the conduct of the Firm and its personnel.

## 2. Definitions:

For the purposes of this Policy, unless the context otherwise requires:

- **"Associated Persons"** shall have the same meaning as defined in SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007, and includes employees, partners, directors, and any person directly or indirectly connected with the Portfolio Manager.

- **"Chinese Wall"** means information barriers established to prevent the flow of confidential or price-sensitive information between different departments or divisions of the Portfolio Manager.
- **"Client"** means any person who has entered into an agreement with the Portfolio Manager for Portfolio Management Services.
- **"Conflict of Interest"** means a situation where the interests of the Portfolio Manager, its Designated Partners, Employees, or Associated Persons conflict or may potentially conflict with the interests of the Client, or where there is a conflict between the interests of two or more Clients.
- **"Material Non-Public Information"** means any information relating to a company or its securities that is not publicly available and which, if made public, is likely to materially affect the price of such securities.
- **"Key Management Personnel"** includes the Chief Executive Officer, Chief Investment Officer, Chief Financial Officer, Designated Partners, Compliance Officer, and such other senior personnel as may be identified by the Portfolio Manager.

### ***3. Scope and Applicability***

This Policy is applicable to:

- i. The Portfolio Manager
- ii. All Key Management Personnel
- iii. All Employees of the Portfolio Manager (whether permanent, contractual, or temporary)
- iv. All trainees and interns working with the Portfolio Manager
- v. All Associated Persons as defined under applicable regulations, and
- vi. Any other person who may have access to confidential client information or Material Non Public Information through their association with the Portfolio Manager

Every person covered under this Policy shall acknowledge receipt of this Policy and confirm their understanding and commitment to comply with its provisions.

### ***4. Objective and Purpose:***

The primary objective of this Policy is to:

- a. Identify circumstances that may give rise to actual or potential conflicts of interest
- b. Establish robust procedures and systems to prevent, eliminate, or effectively manage such conflicts
- c. Ensure that client interests always take primacy over the interests of the Portfolio Manager or its personnel
- d. Maintain the highest standards of integrity, fairness, and transparency in all dealings
- e. Protect client confidentiality and prevent misuse of client information
- f. Ensure fair and equitable treatment of all clients without discrimination
- g. Prevent market manipulation and insider trading
- h. Establish clear disclosure mechanisms for unavoidable conflicts, and
- i. Foster a culture of ethical conduct and regulatory compliance

This Policy aims to protect the interests of clients while maintaining the integrity and reputation of the Portfolio Manager in the securities market.

## ***5. General Principles and Standard of Conduct:***

The Designated Partners and all persons covered under this Policy shall adhere to the following principles:

- a. Lay down policies and internal procedures to identify and avoid/ deal/ manage actual or potential conflict of interest
- b. Maintain the highest standards of integrity, honesty, and ethical conduct in all business activities and act with due skill, care and diligence in the best interest of the clients
- c. Provide advice and make investment decisions solely based on client objectives, risk profile, and investment needs and avoid any activity that may compromise the quality or objectivity of services provided to the client
- d. Develop an internal code of conduct governing the business operations and formulate standards of appropriate conduct in the performance of their activities and ensure to communicate such policies, procedures and code to all concerned
- e. Develop measures to prevent or limit any person from exercising inappropriate influence over the way in which the services are carried out

- f. Ensure fair treatment of its clients and not discriminate amongst them
- g. Ensure full, fair and timely disclosure of all material facts, risks and conflict of interest that may arise
- h. Maintain strict confidentiality of any material non published information while dealing in securities on behalf of others and prevent its misuse
- i. Not in any way contribute to manipulate the demand for or supply of securities in the market or to influence prices of securities or engage in insider trading or any fraudulent or unfair trade practices
- j. Not have an incentive structure that encourages sale of products not suiting the risk profile of its clients
- k. Not share information received from clients or pertaining to them, obtained as a result of their dealings, for its personal interest.

## ***6. Internal Procedures to be implemented:***

### **i. Identification of conflict of interests:**

Conflicts of interest need to be identified in the process of decision making and to be assessed prior to the engagement of the transaction. In identifying conflicts of interest, the Portfolio Manager shall consider all of the factual circumstances where the Portfolio Manager or Partner or Employee are:

- a. Likely to make a financial gain, or avoid a financial loss, at the expense of the Client
- b. Making investment decisions that benefit the Portfolio Manager at the expense of clients
- c. Has an interest in the outcome of a service provided to the Client or of a transaction carried out on behalf of the Client, which is distinct from the Client's interest in that outcome
- d. Has a financial or other incentive/gift/benefit to favor the interest of one Client over another
- e. Carries out the same business as the client or engages in other business activities that compete with or conflict with the Portfolio Manager's business

- f. Procures incentives, commissions, rebates from third parties to influence the investment decisions of the clients
- g. Misuses client information and discloses information of one client to another.

### **ii. Management of Conflicts:**

- a. The Compliance Officer shall monitor the implementation and effectiveness of Chinese wall procedures.
- b. Adequate records shall be maintained of the services and activities of the Portfolio Manager where a conflict of interest has been identified.
- c. Implement measures to prevent front-running and market manipulation.
- d. Maintain strict confidentiality of client portfolios, investment strategies, and personal information.
- e. Where necessary, Partner/employee may be asked to step aside from working on a specific transaction or participation in the decision making of the transaction.
- f. The Partner/Employee shall promptly make full and fair disclosure of any matter that could be expected to impair their objectivity or interfere with duties to its clients, or prospective clients including any transaction or relationship that could be deemed as a conflict.
- g. Every Partner/Employee is expected to avoid any outside activity, financial interest or relationship that may present a possible conflict of interests. No Partner/Employee may engage in any activity that involves any conflict except with specific prior approval in accordance with procedures set out in this Policy.
- h. Review and implementation of additional control measures/disclosures as may be required.
- i. The Compliance Officer or the Designated Partners shall take a decision on whether the transactions can be undertaken, where conflict of interest is involved and the manner to deal with them.

### **iii. Measures to avoid or to deal Conflict of Interests:**

The Portfolio Manager shall put in place the following arrangements to avoid the Conflict of Interest promptly and fairly:

- a. Obtain prior approval for engaging in outside activities that may create conflicts.
- b. Not accept any incentives that may impair objectivity in providing services to clients.
- c. Make appropriate disclosure to the clients of possible source or potential areas of conflict of interest which would impair the ability to render fair, objective and unbiased services.
- d. Endeavour to reduce opportunities for conflict through prescriptive measures such as through information barriers to block or hinder the flow of information from one department to another etc.
- e. Not deal in securities while in possession of material non published information.
- f. Not utilize and/or share information received from clients or pertaining to them, obtained as a result of their dealings for their personal interest.
- g. Strictly implement and abide by the Code of Conduct as mentioned under SEBI PMS regulation.
- h. Conduct training sessions and provide guidance for identification and management of conflict
- i. Investigate breaches and recommend corrective actions and ensure proper record keeping and documentation
- j. Appropriate mitigation measures and disclosures shall be implemented where any potential conflict arises
- k. Where conflicts of interest cannot be eliminated or adequately managed, full and timely disclosure shall be made to the clients.

## ***7. Deviation from Policy:***

Any request for deviation from this Policy, which may become necessary due to practical difficulties in implementation or otherwise, shall be referred to the Compliance Officer. The deviations may be permitted only in case of exceptional circumstances.

### ***8. Review of the Policy:***

The Designated Partners shall periodically review the effectiveness of this policy or whenever there are any material changes to the policy on account of regulatory updates or amendments to SEBI circulars.