BügleRock
(Formerly known as o3 Securities Private Limited)

Conflict of Interest Policy

of

BUGLEROCK CAPITAL PRIVATE LIMITED
(Formerly known as o3 Securities Private Limited)

Registered with the Securities and Exchange Board of India as a Portfolio Manager with effect from May 16, 2017 Registration No. INP000005430

(Formerly known as **o3 Securities Private Limited**)

Conflict of Interest Policy
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ISSUING UNIT	COMPLIANCE
CONTACT	COMPLIANCE TEAM

A. INTRODUCTION

Investor's confidence and smooth operation in securities market depends largely on the integrity of the market and the highest standards of business conduct and integrity.

- ❖ As per Schedule III (3) of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, the Portfolio Manager shall either avoid any conflict of interest in his investment or disinvestment decision, or where any conflict of interest arises, ensure fair treatment to all his customers. Portfolio Manager shall disclose to clients, possible sources of conflict of duties and interests, while providing unbiased services.

- ❖ As per Third Schedule (7) of Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, an Investment Adviser shall try to avoid conflicts of interest as far as possible and when they cannot be avoided, it shall ensure that appropriate disclosures are made to the clients and that the clients are fairly treated.

- ❖ Securities and Exchange Board of India ('SEBI'), vide its circular CIR/MIRSD/5/2013 dated August 27, 2013 has laid down general guidelines on registered intermediaries i.e. Registered Portfolio Managers (hereinafter referred to as "the entity") for dealing with Conflicts of Interest of Intermediaries wherein on the lines of Principle 8 of the International Organisation of Securities Commissions (IOSCO) Objectives and Principles of Securities Regulations, it has been decided to put in place comprehensive guidelines to collectively cover such entity and their associated persons, for elimination of their conflict of interest. Such entity shall adhere to the guidelines/policy for avoiding or dealing with or managing conflict of interest. The entity shall be responsible for educating their associated persons for compliance of the guidelines/policy.

- ❖ As per the aforementioned circular, the Board of the entity must satisfy themselves that the entity have been put in place systems for implementation of these guidelines/policy and provide necessary guidance enabling identification, elimination or management of conflict of interest situations. The Board shall also review the compliance of the guidelines/policy periodically.

- ❖ As per the aforementioned circular, the entity must lay down, with active involvement of senior management, policies and internal procedures to identify and avoid or to deal or manage actual or potential conflict of interest, develop an internal code of conduct governing 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.

- ❖ For the purpose of this guidelines/policy "intermediaries" and "associated persons" have the same meaning as defined in Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007.

- ❖ The said guidelines/policy shall be in addition to the provisions, if any, contained in respective regulations/ circulars issued by the Board from time to time regarding dealing with conflict of interest, in respect of such entities.

CONFLICT OF INTEREST POLICY *(*hereinafter referred to as "Policy"), stated herein combines the requirements of the above-referred SEBI circular and lays down the guidelines & procedure governing the conflict of interest matters as per SEBI (Investment Advisers) Regulations, 2013 and SEBI (Portfolio Managers) Regulations, 2020. Buglerock Capital Private Limited (Formerly known as o3 Securities Private Limited) (hereinafter referred to as 'Company') is a SEBI registered Portfolio Manager bearing registration number INP000005430.

All employees of the Company in their interactions with investors/clients, the public or other employees must not allow their personal interests to conflict or appear to conflict with the interests of the Company and its investors/clients. Employees are expected to act in accordance with the interests of the Company and to follow its practices and its principles of ethical conduct. Employees must disclose all conflicts or potential conflicts of interest to a member of management and seek guidance as to whether a situation may violate this policy.

Employees must also disclose the name of Relatives who work at companies in similar businesses to the Company, or who are investors, customers of, or suppliers to, the Company, if any appearance of a conflict of interest could result.

Employees who have direct responsibility for identifying investment and other business opportunities for the Company and/or its investors, or have indirect access to such information, are prohibited from taking advantage of any Company business information/opportunities for their own personal gain. Company-Sponsored discounts offered to all employees are excluded from this policy.

All the Directors and employees of the Company are expected to strictly abide by the Policy. Therefore, Directors and employees are requested to read the Policy and familiarize their selves with the contents thereof and sign the form of 'Acknowledgement and Undertaking' that appears at the end and return the acknowledgement to the Compliance Officer. They are also requested to retain a copy of the Policy for their reference.

B. PURPOSE

The purpose of this policy is to uphold the Company's commitment to business integrity by requiring that Directors and employees avoid or disclose actual or apparent conflicts of interest.

C. PREAMBLE

The document seeks to set out the broad framework for tackling conflict of interest that may arise while rendering portfolio management services. It is a document that outlines the various conflict of interest situation(s) that may arise and guidelines for the same. Adjustment of those processes and policies are entirely at the discretion of the Company. Such adjustments will be made as circumstances dictate.

D. RESPONSIBILITY OF POLICY

The Directors of the Company shall have the overall responsibility for activities undertaken under the policy.

E. DEFINITIONS

1. 'Agent' means any person who is engaged in the activity of sale or distribution of securities on behalf of an issuer or a distributor for a commission or any other consideration;

2. 'Associated persons' have the same meaning as defined in Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007 i.e. "associated person" means a principal or employee of an intermediary or an agent or distributor or other natural person engaged in the securities business;

3. 'Distributor' means any person engaged by an intermediary or an issuer for the purpose of sale or distribution of securities;

4. 'Employee' shall include all persons employed in / by the Company, including persons employed on contractual basis;

5. 'Intermediary' means an entity registered under sections 11 or 12 of the Act and includes any person required to obtain any membership or approval from a stock exchange or a self-regulatory organization;

6. 'PMS' means Portfolio Management Services.

7. 'Policy' means *Conflict of Interest Policy.*

8. 'Relative' means reference to any person, means any one who is related to another, if—
   (i) they are members of a HUF
   (ii) they are husband and wife
   (iii) Father
   (iv) Mother
   (v) Son
   (vi) Son's wife
   (vii) Daughter
   (viii) Daughter's husband
   (ix) Brother
   (x) Sister
   (xi) (includes step relationship also)

9. 'SEBI' means Securities and Exchange Board of India.

10. 'Securities' means security as defined under Section 2(h) of Securities Contract Regulation Act.

F. PERSONS COVERED

The policy and the guidelines stated herein shall be applicable **to all Directors and persons employed in or/ by the Company including persons employed on contractual basis or an agent or distributor of the Company or other natural person engaged in the securities business.**

Each Director, Employee, agent or distributor of the Company shall be deemed to have read the Policy and understood its contents and consequences.

G. EXCEPTIONS TO THIS POLICY

Approval of an outside business activity is not required if all of the following three elements are met:

1. the outside business is principally owned by the employee and/or Relative of the employee; and

2. the outside business is not doing business with, or in competition with the Company ; and

3. the outside business affiliation will not conflict with the employee's duties at the Company.

All Directors and employees are required to disclose any outside business affiliations that may present, or appear to present, a potential or actual conflict of interest. Directors and Employees must disclose this information in writing to the management. If employees are unsure about whether a particular outside business affiliation presents a conflict of interest, or whether approval is needed, they should contact the Compliance Department.

H. ITEMS NOT COVERED BY THIS POLICY

1. Employees do not need approval for bank deposits and investments in mutual funds, Directorships and similar enterprises that are publicly owned and engaged primarily in the business of investing in securities, real estate or other investment assets.

2. Secured loans such as residential mortgages, bridge loans, margin accounts and other secured credit facilities are not covered by this policy and do not require approval.

I. GUIDELINES

The Company holds its employees to the highest ethical standards. Maintaining high standards requires a total commitment to sound ethical principles and it's values. It also requires nurturing a business culture that supports decisions and actions based on what is right, not simply what is expedient. At every level, Employees must set the right example in their daily conduct. Moreover, Employees are encouraged to understand the expectations of the entity and apply these guidelines to analogous situations or seek guidance if they have questions about conduct in given circumstances.

A conflict of interest exists when a personal interest conflicts with one's obligations to the Company or its investors/clients.

A conflict of interest may be a concern even when no wrong has actually been committed. The mere opportunity to act improperly may be enough to create the appearance of a conflict. The appearance of a conflict of interest may be as damaging to the Company and to the employee as an actual conflict of interest because it diminishes the credibility of otherwise appropriate business decisions and transactions.

All Employees must act in accordance with the following general principles:

1. at all times maintain high standards of integrity in the conduct of the Company's business;

2. ensure fair treatment to the clients and not discriminate amongst them;

3. ensure that your personal interest does not, at any time conflict with your duty towards the clients and client's interest always takes primacy in your advice, investment decisions and transactions;

4. make appropriate disclosure to the clients of possible source or potential areas of conflict of interest which would impair your ability to render fair, objective and unbiased services;

5. endeavor to reduce opportunities for conflict through prescriptive measures such as through information barriers to block or hinder the flow of information from one department/ unit to another, etc.;

6. place appropriate restrictions on transactions in securities while handling a mandate of issuer or client in respect of such security so as to avoid any conflict;

7. not deal in securities while in possession of material non published information;

8. not to communicate the material non published information while dealing in securities on behalf of others;

9. not in any way contribute to manipulate the demand for or supply of securities in the market or to influence prices of securities;

10. not have an incentive structure that encourages sale of products not suiting the risk profile of your clients;

11. not share information received from clients or pertaining to them, obtained as a result of your dealings, for your personal interest;

12. to place the interests of investors and other investment advisory clients first;

13. must not only seek to achieve technical compliance with this Policy but should strive to abide by its spirit and the principles articulated herein.

Example:

An appearance of a conflict of interest may occur if, following a meeting with a representative of an issuer, an analyst buys the issuer's securities for his or her personal account, and subsequently recommends the same security for purchasing by the company.

Further, employees must:

1. not take inappropriate advantage of their positions.
2. avoid any situation that might compromise, or call into question, their exercise of fully independent judgment in the interest of shareholders or clients, including, but not limited to the receipt of unusual investment opportunities, perquisites or gifts from persons doing or seeking business with their portfolios.
3. not bunch a personal order with a client order.
4. not conduct personal business with brokers who execute trades for their portfolios.

J. PROCEDURES

1. **Duty to Disclose --** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors.

2. **Recusal of Self –** Any Director may rescue himself or herself at any time from involvement in any decision or discussion in which the Director believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.

3. **Determining Whether a Conflict of Interest Exists -**After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Directors Meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Directors shall decide if a conflict of interest exists.

K. PROCEDURES FOR ADDRESSING THE CONFLICT OF INTEREST

1. An interested person may make a presentation at the Director's meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

2. The Chairperson of the Meeting shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

3. After exercising due diligence, the Directors shall determine whether the Company can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Directors shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Company's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

L. VIOLATIONS OF THE CONFLICTS OF INTEREST POLICY

1. If a Director has reasonable cause to believe other Director has failed to disclose actual or possible conflicts of interest, then on the basis of such belief the other director shall be provided with an opportunity to explain the alleged failure to disclose.

2. If, after hearing the Director's response and after making further investigation as warranted by the circumstances, the Director determine the Other Director has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

M. PRIOR APPROVAL

Employees are required to obtain prior approval, in writing, of certain activities that give rise to actual or apparent conflicts of interest. Those activities include:

1. Having a substantial ownership interest in an outside business the interests of which conflict with those of the Company.
2. Engaging in any transaction involving the purchase of products and services from the Company unless it is on the same terms as offered to the public.
3. Borrowing an amount greater than 10 percent of their gross assets, on an unsecured basis, from any bank, financial institution or other business that engages in any business transaction or has any outstanding investment relationship with the Company.
4. Loans, secured and unsecured, from employees to investors/clients, and from investors/clients to employees.

5. Involvement in an outside business or affiliation with an outside business. This includes outside employment; serving as an outside director, officer, employee, director, trustee, consultant or holding any other position in a public or private business enterprise, government agency or commission; or being elected or appointed to a state or local elective office; or serving in paid and unpaid positions in a non-profit organization.
6. Employees holding unpaid positions with nonprofit organizations must disclose any apparent or actual conflict of interest that may be presented by any activity or transaction engaged in by the nonprofit.

N. RESPONSIBILITY

1. **Directors and Senior Management of Company or its affiliates** are responsible for consulting with the management before entering into any transaction involving the purchase of products and services from the COMPANY or its affiliates, even though the terms and conditions are the same as those generally offered to the public.

2. **Compliance Department** is responsible for including appropriate disclosure of conflicts of interests in required regulatory filings administered by the Compliance Department.

3. **Employees, Agent or distributors** are responsible for avoiding and disclosing actual and apparent conflicts of interests and obtaining prior written approval from their management and/or other approvers where required by this policy.

4. There are rules that must be followed whenever an employee, agent or distributor wishes to be involved in an outside business activity. In all instances, employees are expected to disclose outside business activities to their management.

O. RECORD KEEPING

Minutes of Directors meetings shall be reflected when a Director discloses that s/he has a conflict of interests and how the conflict was managed, such as that there was a discussion on the matter without the Director in the room, and that a vote was taken but that the "interested" Director was present in the meeting at the time of voting. (Director with a conflict are "interested" – Director without a conflict are "disinterested").

Further, whenever there's an apparent conflict of interest, the employee can submit/disclose the same in Annual Conflict of Interest Statement *(Refer Exhibit I)* which shall be maintained with the Compliance department.

P. LIST OF PROBABLE SITUATIONS THAT MAY TRIGGER CONTRA TRADES

It would be impractical to attempt to list all possible situations in which a conflict of interest may arise, however, few of the common examples may be referred to as follows:

1. Redemption request from a domestic client would trigger a sale, while there is a purchase recommendation in the overseas advisory mandate.

2. Portfolio rebalancing where there is a pruning of position in the domestic PMS where there is a holding greater than model portfolio limit, but recommendation of a purchase in the overseas fund.

3. A domestic client gives assets (already in the model portfolio of the overseas fund) by way of securities, and these have to be sold to prune/exit the holding to align with the domestic model portfolio.

4. The proportion of exceptions in the portfolio is greater than 25%, as defined in the domestic investment approach document.

5. Differences between the Regular and Concentrated accounts leading to portfolio rebalancing in the concentrated accounts of the domestic investment approach.

6. If there is a redemption request in the overseas fund and a fresh inflow in the domestic PMS, there can be a contra trade.

7. A situation of a portfolio rebalancing in the overseas fund, leading to a recommendation to prune a position, vis-à-vis a fresh/continuing purchase in the domestic PMS.

8. An existing client in the domestic PMS gives a fresh restriction on purchase of a stock already in the portfolio, leading to a requirement of a sale, while it is still recommended for purchase in the overseas fund.

9. Different Investment approaches, because of differences in mandates / templates can result in contra trades with the same security.

Q. POTENTIAL AREA OF CONFLICTS AND MITIGATION MEASURES

1. Fund Management: The Company should have different fund managers under portfolio management approaches and for advisory services under portfolio management. The Company shall ensure that proper systems and control in place to ensure that there is no conflict of interest between the investment activities of different schemes/investment approach.

2. Investments Department: The Company must have separate area for fund manager/dealer for different business activities. The Company should not allow fund managers / dealers of different activities to seat together.

3. Allocation of Securities on fair basis: If dealer places the consolidated order of securities for different activities, then he should allocate securities on fair basis after execution of the same. Working/rationale of allocation should be verified by operations/compliance team.

4. Personal Security Transactions: When conducting personal transactions, employees must comply with the Insider Dealing Policy, which stipulates inter alia that employees must refrain from conducting transactions on the basis of insider knowledge and/or confidential information. All employees must comply with the restricted list and the obligation to report personal transactions to the compliance officer before the order can be executed.

5. Associate Companies/Related Parties: The Company should restrict/limit investments in securities issued by associate companies/Related Parties. Restricted security list should be

transferred to operation team and should be updated regularly. The Company shall ensure that the investments are in the interest of the investors.

6. Front Running: The Company should restrict front running transactions between different approach/activities.

7. Mis-Selling: The Company should advise approach /securities only on the basis of information given / objectives of the client. They shall not promote any selected scheme or approaches.

8. Incentive Structure:- Not have an incentive structure that encourages sale of products not suiting the risk profile of their clients

9. Investee Companies: The following conflicts may arise with respect to the investee company/entity:

   a) The investee company is a client of the Company for its other business activity;
   b) Investee company is directly or indirectly linked to another investee company of Fund/Portfolio;
   c) The investee company holds an interest, in the overall business or is a distributor for Company;
   d) A nominee of the Company has been appointed as a Director or a key managerial person of the investee company;
   e) A Designated Partner/ Director or a key managerial person of the Company has a personal interest in the investee company;
   f) Company (including its employee, officer or Directors) is likely to make a financial gain, or avoid a loss, at the expense of an investor or the investee company.
   g) Company or its employees have an interest in the securities of the investee company and nature of such interest

10. Manner of managing interest:

    a) The transaction is in compliance with the applicable regulations and is at arm's-length.
    b) The conflict is disclosed to the management before entering into transaction
    c) The voting decision is in the best interest of the stakeholders keeping the interest of policyholders first.
    d) Documentation of the process of resolving any identified material conflict of interest.

R. REVIEW AND UPDATION OF POLICY

The Policy shall be reviewed and updated to ensure it is in lines with the existing applicable regulatory requirement. The policy will be reviewed annually or at any other time as it may deem fit to ascertain any change in the existing Conflict of interest policy and whether controls prescribed are enough to mitigate the risk in view of changing business environment.

S. PENALTY

Any Employee, agent or distributor who breaches or communicates any information in contravention of the Policy shall be liable to disciplinary action and may be penalized by the Company. Such penalty may include warning, wage freeze, suspension, etc., as may be decided by the Management on a case to case basis.

The Company may cause an employee, agent or distributor who has violated any provisions of the Policy to disgorge of profits made or likely to have been made.

The Company reserves the right to terminate the services of any employee, agent or distributor who violates any provision of the Policy.

Over and above any penalty that the Company may impose on an employee, agent or distributor who indulges in non-disclosure of interest in a particular transaction, he/she may also be liable to such penalty/prosecution/proceedings as SEBI may impose.

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Exhibit I

Annual Conflict of Interest Statement

1. Name: ___________________________________ Date: ____________________

2. Position:

Are you an Officer? Yes No

If you are an Officer, which Officer position do you hold: ____________________________________.

3. I affirm the following:

I have received a copy of the Conflict-of-Interest Policy. _________ (initial)

I have read and understand the policy. _________ (initial)

I agree to comply with the policy. _________ (initial)

4. Disclosures:

a. Do you or your Relative have a financial interest (current or potential), including a compensation arrangement, as defined in the Conflict-of-Interest policy with the COMPANY? Yes No

i. If yes, please describe it: ____
ii. If yes, has the financial interest been disclosed, as provided in the Conflict-of-Interest policy?
Yes No

b. In the past, have you or your Relative had a financial interest, including a compensation arrangement, as defined in the Conflict-of-Interest policy with the COMPANY? Yes No

i. If yes, please describe it, including when (approximately):

____
ii. If yes, has the financial interest been disclosed, as provided in the Conflict-of-Interest policy?
Yes No

_______________ _________________
Date Signature

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