

Buglerock Bhuvu Investment Advisers Private Limited

(FORMERLY KNOWN AS o3 Bhuvu Advisers Private Limited)

Policy on Management of Conflict of Interest

Applicability

Buglerock Bhuvu Investment Advisers Private Limited (the “Company”) acts as an Investment Manager to O3 Capital AIF (“Fund”), a SEBI registered Category III Alternative Investment Fund under SEBI (Alternative Investment Funds) Regulations, 2012 bearing registration No. IN/AIF3/18-19/0589. Helium High Growth (“Scheme”) is a scheme of the Fund.

Buglerock Bhuvu Investment Advisers Private Limited is also a SEBI registered Non-Individual Investment Adviser under the SEBI (Investment Advisers) Regulations, 2013 bearing Registration No. INA200012674 and BSE ID:- 1183.

This document sets out the policy on Management of Conflict of Interest for the Company with intent to define a policy and procedures for dealing with and effectively managing any conflicts of interest that may arise in carrying out its businesses. Senior Management is responsible for ensuring that the Company’s systems, controls and procedures are adequate to identify and manage conflicts of interest.

This policy on Management of Conflict of Interest is applicable to each and every team member of the Company. All are expected to carefully read the policy and comply with the requirements at all times.

Background

As per Regulation 21(2) of Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, an Investment Manager shall establish and implement written policies and procedures to identify, monitor and appropriately mitigate conflicts of interest throughout the score of business.

As per Regulation 15(1) of Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, An Investment Advisor shall act in fiduciary capacity towards its client and shall disclose all conflicts of interests as and when they arise. Also an investment advisor shall ensure that in case of any conflict of interest of the investment advisory activities with other activities, such conflict of interest shall be disclosed to the client

SEBI vide its circular no. CIR/MIRSD/5/2013 dated August 27, 2013 issued General Guidelines for dealing with Conflicts of Interest of Intermediaries, Recognised Stock Exchanges, Recognised Clearing Corporations, Depositories and their Associated Persons in Securities Market.

SEBI vide the aforesaid circulars has decided to put in place comprehensive guidelines to collectively cover such entities and their associated persons, for elimination / avoidance of conflict of interest situations and educating the Associated Persons as defined in Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007 for compliance with the guidelines

SEBI has directed the concerned intermediaries to 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;

SEBI guidelines require Intermediaries and their Associated Persons to comply with the following –

- maintain high standards of integrity in the conduct of business;
- ensure fair treatment of clients and not discriminate amongst them;
- avoidance of conflict of personal interest with that of the client and primacy of clients' interest;
- make appropriate disclosure to the clients of possible source or potential areas of conflict of interest which would impair their ability to render fair, objective and unbiased services;
- endeavor to reduce the 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;
- place appropriate restrictions on transactions in securities while handling a mandate of an issuer or a client;
- not to deal in securities while in possession of material non published information;
- not to communicate material non published information while dealing in securities on behalf of others;
- not to manipulate the demand for, or supply of, or to influence the prices of securities ;
- not to have an incentive structure that encourages sale of products not suiting the risk profile of their clients;
- not to share client information obtained as a result of their dealings for personal interest.

Objectives of the Policy

The policy aims to ensure that the clients of the Company are treated fairly and at the highest level of integrity and that their interests are protected at all times. A conflict may arise between:

- The Company and a client;
- The Company and Director/employee and a client
- A Company of the Group and a client
- Two or more clients of the Company in the course of providing services to these clients, and
- A service provider of the Company and a client.

For the purpose of this policy, clients include:

- Existing clients of the Company
- Potential clients (where the Company is seeking to enter into an agreement for providing business services); and
- Past clients where fiduciary or other duties remain in place

In addition it aims to prevent conflicts of interest from adversely affecting the interest of its client.

The policy sets out how the Company will:

- identify circumstances which may give rise to conflict of interest entailing a material risk of damage to client interests and
- put in place a mechanism to resolve any conflict of interest situation that may arise in the conduct of its business or where any conflict of interest arises, take reasonable steps to resolve the same in an equitable manner.

Definitions

"Conflict of Interest"

Conflicts of interest usually arise due to an imbalance of information between two or more parties. Reliable information is a necessary tool for markets to serve their purpose efficiently. Asymmetric information between different parties creates the possibility where the party with access to more reliable information can take advantage of the situation. Conflicts of Interest can be defined in many ways, including any situation in which an individual or an organization is in a position to exploit a professional or official capacity in some way for their personal or corporate benefit. A conflict of interest exists when a party to a transaction could potentially make gain from taking actions that are detrimental to the other party in the transaction.

"Intermediary" and "Associated Person"

Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007 defines the term "intermediaries" and "Associated persons". Accordingly, "intermediary" means an entity registered under sections 11 and 12 of the Securities and Exchange Board of India Act, 1992 and includes any person required to obtain any membership or approval from a stock exchange or a self-regulatory organization; and "Associated person" means a principal or employee of an intermediary or an agent or distributor or other natural person engaged in the securities business and includes an employee of a foreign institutional investor or a foreign venture capital investor working in India.

Identification of Conflicts of Interests

The Company shall take adequate steps to identify conflicts of interest. In identifying conflicts of interest, it will take into account situations where the Company or an employee:

- is likely to make a financial gain, or avoid a financial loss, at the expense of a client;
- 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 interest in that outcome;
- has a financial or other incentive to favour the interest of one client over another;

- carries out the same business as the client; or
- receives from a person other than an client an inducement in relation to a service provided to a client, in the form of monies, goods or services, other than the standard commission or fee for that service.

Potential Conflict of Interest

In order to avoid, manage or deal with conflict of interest with the intermediary or the Associated Persons, it is important to identify the possible areas of conflict of interest. Below is the non-exhaustive list of Potential conflicts of interest that may affect the Company:

- directorships or other employment;
- interests in business enterprises or professional practices;
- share ownership;
- beneficial interests in trusts;
- personal account trading;
- management prop book;
- other business activity of the Company;
- professional or personal associations or relationships with other organizations;
- family relationships;
- front running, rebates, kickbacks or commission;
- developing/marketing/recommending a product or service without properly considering the interest of all the clients;
- existence of a financial or other incentive to favor the interest of another client or group of clients over the interests of an client;
- existence of an interest in the outcome of a service provided to, or of a transaction carried out on behalf of an client which is distinct from that client's interest in that outcome;
- likelihood of making a financial gain or avoiding a financial loss at the expense of an client; and
- receipt or likelihood of receipt from a person other than a client an inducement in relation to the service provided to that client in the form of monies, goods or services, other than the standard commission or fee for that service.

Measures to avoid or to deal or manage actual or potential Conflict of Interests

Should a conflict of interest arise, it needs to be managed promptly and fairly. The following arrangements put in place would ensure that:

- there is a clear distinction between the operations of different departments;
- allocation of business to the group companies but pricing at arm's length basis;
- fair and equitable trade allocation among client accounts in accordance with policy on execution of secondary market trades
- no unfair treatment to the investment/managing funds of Buglerock Bhuv Investment Advisors Private Limited with that of client

- no single person will gather conflicting information, thus counterfeiting or hiding information from client is minimized;
- The Company's employees in keeping with policy on Prohibition of Insider Trading are prohibited from taking undue advantage of any confidential or Price Sensitive Information that they may have about any company;
- employees sign a contract of employment including confidentiality clauses. No Associated Person may disclose inside information to others, except disclosures made in accordance with the Company's policies and procedures, to other personnel or persons outside the Company who have a valid business reason for receiving such information;
- each department will control the flow of information where, otherwise, the risk of conflict of interest may harm the interest of a client;
- relevant information is recorded promptly in a secure environment to enable identification and management of conflicts of interests;
- adequate records are maintained of the services and activities of the Company where a conflict of interest has been identified;
- in certain jurisdictions appropriate disclosure may be made to the client in a clear, fair and not misleading manner to enable the client to make an informed decision;
- there is a periodic review of the adequacy of the Company's systems and controls;
- employees are required to avoid conflicts of interest with activities they undertake outside the Company;
- intimation of an actual or potential Conflict of Interest should be made to a person with responsibility for the issue or area, such as the relevant management team, head of the department or key individual; and
- staff that fail to disclose a potential or actual Conflict of Interest in accordance with this policy may be liable to disciplinary procedures.

Information Barriers

The Company respects the confidentiality of information it receives regarding its Clients and operates a "Need to Know" approach and complies with all applicable laws in respect of the handling of that information.

Access to confidential information is restricted to those who have a proper requirement for the information consistent with the legitimate interest of a client of the Company.

Company operates internal organizational arrangements to avoid conflicts of interest by controlling, managing or restricting, as deemed appropriate, the flow of confidential information between different areas of business or within a specific division or department.

In particular, Chinese Walls are a key tool for conflict of interest prevention, avoiding insider dealing and market manipulation risks. Furthermore, Chinese Walls can involve separation of premises, personnel, reporting lines, files and IT-systems and controlled procedures for the movement of personnel and information between the Company and any other part of the Company.

The Company maintains permanent information barriers between different departments.

Disclosure to clients of possible source or potential areas of conflict of interest possible source which would impair their ability to render fair, objective and unbiased services

The Company shall make appropriate disclosure to the client of the possible source or potential areas of conflict of duties and interest while acting as an intermediary which would impair its ability to render fair, objective and unbiased services. However, where the Company does not believe that disclosure is appropriate to manage the conflict, it may opt not to proceed with the transaction or matter giving rise to the conflict. The Company shall not place its interest above those of its clients.

Where there is no other way of managing a conflict, or where the measures in place do not sufficiently protect client interests, the conflict will be disclosed to allow the client to make an informed decision on whether to continue using the service in the situation concerned.

The Company may decline to act for a client in cases where it believes that a conflict of interest cannot be managed in any other way.

Communication of the policy, procedures and code to all concerned

This policy on management of Conflict of Interest offers general guidance and procedure to comply with the policy:

- i. Every staff member should have a copy of this policy.
- ii. If a potential conflict of interest arises, the transaction must first be discussed with management before entering into the transaction.
- iii. All new employees are required to declare their outside interests when they join the Company under the policy of Prohibition of Insider Trading.

Monitoring of Policy

The effectiveness of this policy and Company's compliance with the principles and procedures of this policy will be monitored on continuous basis. There may be evolving situations which may result in conflict of interest and shall be reported to the Compliance Officer and the senior management from time to time. Such disclosure must occur so that a determination may be made as to the appropriate plan of action to manage the conflict.

Consequences of non-compliance with the policy

In case it is observed that there has been a violation of the aforesaid Regulations, the Compliance Officer/ Company (as the case may be) may intimate SEBI of the same. The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Alternative Investment Funds) Regulations, 2012 and SEBI circular CIR/MIRSD/5/2013 dated August 27, 2013.

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.

Exceptions

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 and/or Principal Officer.

Review of Policy

This policy shall be reviewed and assessed periodically by the management.