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CONFLICT OF INTEREST POLICY

Neo Asset Management Private Ltd. (NAMPL or NEO Asset Management) for Alternative Investment Fund (AIF).

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CONFLICT OF INTEREST POLICY FOR AIF

A. BACKGROUND

The Securities and Exchange Board of India (SEBI) vide its circular dated August 27, 2013, inter alia, requires all intermediaries to frame an internal code of conduct to identify and avoid or to deal or manage actual or potential conflict of interest. Further, Securities and Exchange Board of India (SEBI) vide its circular no. CIR/CFD/CMD1/168/2019 dated December 24, 2019, has mandated all the Alternative Investment Funds to follow the Stewardship Code (the Code), as prescribed in Annexure A of SEBI Circular, in relation to its investments in listed equities. As per Principle 2 of the Code, an institutional investor should have a clear policy on how they manage conflict of interest in fulfilling their stewardship responsibilities and publicly disclose it.

The conflicts of interest may arise in relation to the various activities carried out by interested Parties vis-à-vis the activities of the Fund. The Investment Manager has adopted certain policies and procedures intended to protect the interest of investors in the Fund against any adverse consequences arising from potential conflicts of interest. The protection of the investors' interests is Investment Manager's foremost priority. The conflict-of-interest situation may adversely affect the interest of the Contributors and the Contributor may lose its Capital Contribution due to such conflict of interest. The Contributor acknowledges the existence of risk arising out of conflict of interest.

The Interested Party(ies) shall exercise a standard of good faith in their dealings with the Fund and any of its Portfolio Entities. The Investment Manager will be transparent and make disclosures with respect to conflicts of interest situation that the Investment Manager determines may have arisen (or which seem likely to arise) between the Interested Parties and the Fund (or any of its Portfolio Entities).

The Investment Manager maintains and operates effective organisational and administrative arrangements with the view of taking all reasonable steps to identify, continuously monitor and manage conflicts of interest. Some of the potential conflicts of interest situations and the policies of the Investment Manager for managing conflicts of interest are provided below. It is not intended to provide a comprehensive list of conflicts of interest or account of the processes and procedures which the Investment Manager adopts in connection with the management of conflicts of interest, but is instead intended to be a statement of principles with which the Investment Manager seeks to manage foreseeable conflicts of interest.

B. SCOPE OF THE DOCUMENT

This Policy summarizes key conflict of interest and the related policies and procedures and shall apply to Neo Asset Management. This Policy is also in addition to the provisions, if any,



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contained in relevant regulations/ circulars issued by Securities & Exchange Board of India (SEBI) from time to time regarding dealing with conflict of interest. For the purpose of this Policy, 'relevant person' includes a director, manager, employee, or appointed representative of Neo Asset Management.

C. KEY AREAS OF CONFLICTS OF INTEREST IDENTIFIED AND THE MANAGEMENT OF SUCH CONFLICTS:

Neo Asset Management may, from time to time:

- Acquire, have and/ or maintain a position in any security like the Securities held, purchased, or sold for the Investor forming part of the AIF Assets Account.
- Purchase or sale on behalf of the Fund or the Investors of any security which forms part of the portfolio of the Portfolio /Investment Manager or its other investors or which is otherwise purchased, sold or traded in by the Portfolio/Investment Manager on its own account or on account of its other investor(s); The Investors are aware of such interest of the Portfolio/Investment Manager under the scheme vis-à-vis in the proprietary account of Neo Asset Management and its subsidiaries, if any.
- Purchase or sell on its own account or on behalf of any other investor, any security which forms part of the Assets of Account.
- Have a commercial or other relationship or agreement with stockbrokers, banks ARCs, and companies with whom or through whom transactions are carried out for purchase and sale of any of the Securities or with any issuer of Securities whose Securities are purchased and/ or sold for or on behalf of the Investor.
- Deal on the Investor's behalf with any Associate Company of the Portfolio / Investment Manager if the terms are as favorable to the Investor as would be ordinarily obtained from a concern which is not an Associate Company.
- Neo Asset Management acts as a Broker of NSE and BSE registered Trading member through which the Investor's trades may be executed and would receive commission from Trading member for such services rendered.
- Purchase or sale of Securities from or to anyone with whom the Portfolio/Investment Manager or any of its Associate Company has a commercial or other relationship or agreement, including selling or purchasing the Securities to or from the account of the Portfolio/Investment Manager or another investor of the Portfolio/Investment Manager.
- Act as principal, agent, or broker in any transaction; and in such event, the Portfolio /



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Investment Manager shall be separately compensated for its actions in that capacity.

- Employ, retain or appoint any Associate Company of the Portfolio / Investment Manager as broker, custodian, investment adviser, research providers, consultants or in any other capacity for carrying out any of the functions or work relating to the Services provided to the Investor. However, Neo Asset Management and its subsidiary shall avoid any conflict of interest in relation to its decision regarding investments with respect to the Investor's funds and where such conflict of interest does arise, Neo Asset Management shall ensure fair treatment as in an arm's length transaction to all its Investors and shall also specifically ensure that the interest of the Investor is not prejudiced.

Code of Conduct

- carry out its business activities and invest in accordance with the investment objectives stated in the placement memorandum and other fund documents
- be operated and managed in the interest of all investors and not only in the interest of the sponsor, manager, directors or partners of the sponsor and manager or a select class of investors
- ensure the dissemination of adequate, accurate, explicit and timely information in accordance with these Regulations to all investors
- ensure the dissemination of any other information as agreed with the investors
- ensure that an effective risk management process and appropriate internal controls are in place
- have written policies and procedures to identify, monitor and appropriately mitigate any potential conflict of interest through-out the scope of its business. (g)not use any unethical means to sell, market or induce any investor to buy its units. (h)have written policies and procedures to comply with anti-money laundering laws

All potential sources of conflicts of interests that the Investment Manager envisages during the operations of the Fund, which includes conflicts arising at following levels:

- **At the level of employee of the management entity**

The employees of the Investment Manager that provide services to the Fund will have, in addition to their responsibilities for the Fund, responsibilities for other companies, projects and clients. Accordingly, they may have conflicts of interests in allocating management time and other resources amongst the Fund and such other projects and clients.

- **At the level of service providers of the Fund**



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The attorneys, accountants, professionals and other service providers, who perform services for the Fund may, and in some cases do, also perform services for the Interested Parties and their affiliates.

- **At the level of the Investment Manager**

There cannot be any assurance that an investment opportunity that comes to the attention of the Investment Manager will be referred or otherwise made available to the Fund. Investment opportunities identified by the Investment Manager may be suitable for the Fund and/or an Interested Party. The Investment Manager will endeavour to resolve any such conflicts in a reasonable manner taking into account such factors as it may consider relevant including investment strategy and objectives, investment policy, sector focus, deal size, regulatory and tax considerations, executing the conflicted transactions at arms length basis, etc. However there can be no assurance that the Fund shall be allocated any particular investment opportunities that are identified by the Investment Manager.

The Manager to act in a fiduciary capacity towards its investors and shall disclose to the investors, all conflicts of interests as and when they arise or seem likely to arise. Manager shall establish and implement written policies and procedures to identify, monitor and appropriately mitigate conflicts of interest throughout the scope of business. Managers to abide by high level principles on avoidance of conflicts of interest with associated persons as may be specified by SEBI.

- **At the level of the Sponsor**

The Sponsor of the Fund may act as sponsor of other funds and will be required to maintain a continuing interest with such funds. Accordingly, they may have conflicts of interests in allocating resources and time for such funds.

- **At the level of the Investor**

The Investors of the Fund, apart from investing in the Fund, may also invest in the companies where the Fund has also invested at the differential terms than that of the Fund. Such investment of the Investors may conflict with the investment of the Fund.

- **At the level of members of various governance bodies**

The members of the Investment Committee and Advisory Committee (if any), in addition to their responsibilities for the Fund, will have responsibilities for other funds, projects and clients. Accordingly, allocating management time and other resources among the Fund and such other funds, projects and clients can be a challenge.

- **At the level of the Sponsor and/or Investment Manager group entity, in relation to various schemes managed by the Sponsor and/or Investment Manager**

The Investment Manager and/or Sponsor and their affiliates, subject to Applicable Laws, may be involved in a variety of advisory, management and investment-related activities including management of other funds in future. The Fund shall not have any rights in or to any cash receipts or profits of the Investment Manager and/or Sponsor, and any of their affiliates. The Investment Manager and/or Sponsor and any of their affiliate/group entities may, from time to time, act as investment managers or advisers to other entities, companies or funds other than the Trust/Fund. It is therefore possible that the Investment Manager and/or Sponsor and their affiliates may in the course of their business have potential conflicts of interest *inter-se* different activities.

The Investment Manager may identify additional conflicts of interest situations from time to time, which will be managed/mitigated with the help of the principles identified herein and by also taking into account further processes which the Investment Manager may develop over the period of time. The following are the potential conflicts of interest situations that may arise:

- a) *Investments in Portfolio Entities in which Interested Parties have Interests:* The Investment Manager while acting as the investment manager of the Trust/Fund may from time to time effect transactions in securities issued by a Portfolio Entity that is otherwise a (i) client or (ii) investee company of any of the affiliate/associate/group companies of the Investment Manager or of the team of the Investment Manager. It may also effect transactions by the Fund in securities in which an affiliate/associate/group company may have a financial or other business interest at any time;



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- b) *Other Fees:* The Investment Manager as investment manager of the Trust/Fund may affect transactions in securities and/or provide services to Portfolio Entities in respect of which any of the its affiliate/group company may benefit from a commission or fee;
- c) *Purchase from and sale of investments to Interested Parties:* The Investment Manager may purchase investments from, or sell investments to Interested Parties. In such cases, conflicts may arise in determining the price and terms of the sale or purchase as the case may be;
- d) *Management Resources:* The Interested Parties and their employees that provide services to the Fund will have, in addition to their responsibilities for the Fund, responsibilities for other companies, projects and clients. Accordingly, they may have conflicts of interests in allocating management time and other resources amongst the Fund and such other projects and clients;
- e) *Differential Terms:* The Fund may enter into, deliver or perform side letters or other written agreements or instruments to or with one or more investors of the Fund which have the effect of establishing different rights under, or altering or supplementing the terms of an investment in the Fund; and
- f) *Investment Committee (IC):* As part of its investment methodology, the Investment Manager may require portfolio companies to grant to the Fund a seat on the boards of directors of such portfolio companies. The seat will be filled by a nominee of the Investment Manager. As a consequence, such persons will have fiduciary and other duties to the Portfolio Entity, which may conflict with the interests of the Fund.
- g) *Representation:* The attorneys, accountants, and other professionals, who perform services for the Fund may, and in some cases do, also perform services for the Interested Parties and their affiliates.
- h) *Allocation of Investments:* There cannot be any assurance that an investment opportunity that comes to the attention of the Investment Manager will be referred or otherwise made available to the Fund. Investment opportunities identified by the Investment Manager may be suitable for the Fund as well as other funds or investment vehicles managed or advised by the Investment Manager and/or an Interested Party and/or their respective affiliates. There could be multiple portfolios under the management of the Investment Manager or by designated partners who are Interested Parties of other



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entities of the group of the Investment Manager, thereby representing possibility of conflict of interest in allocating investment opportunities amongst the various portfolios. The Investment Manager will endeavour to resolve any such conflicts in a reasonable manner taking into account such factors as it may consider relevant including investment strategy and objectives, investment policy, sector focus, deal size, regulatory and tax considerations, etc. However there can be no assurance that the Fund shall be allocated any particular investment opportunities that are identified by the Investment Manager. Furthermore, the Investment Manager shall have the right, at its discretion, to allocate any investment opportunities to other portfolios or to the Fund.

- i) Conflict in case of warehousing: The Investment Manager/Sponsor and/or their associates/affiliates may make Warehoused Investments in Portfolio Entities. The transfer of such Warehoused Investments to the Fund is expected to be at such price as the Investment Manager may decide in accordance with this Memorandum, which may not necessarily reflect an accurate intrinsic value of the Warehoused Investment.
- j) Conflict in case of co-investment: Co-Investment by the eligible Contributors alongside the Fund is seen as a positive and motivating factor for such Contributors. However, conflicts of interest can occur if the eligible Contributor is permitted to invest on a deal-by-deal basis.
- However, Neo Asset Management and its subsidiary shall avoid any conflict of interest in relation to its decision regarding investments with respect to the Client's funds and where such conflict of interest does arise, Neo Asset Management shall ensure fair treatment as in an arm's length transaction to all its Clients and shall also specifically ensure that the interest of the Client is not prejudiced.

Code of Conduct of the Investment Manager and the KMP NAM

- Every Manager of Alternative Investment Funds and key management personnel of the manager and Alternative Investment Funds shall:
- abide by the Act, Rules, Regulations, Guidelines and Circulars as applicable to Alternative Investment Funds at all times;
- maintain integrity, highest ethical and professional standards in all its dealings;
- ensure proper care and exercise due diligence and independent professional judgment in all its decisions;
- act in a fiduciary capacity towards investors of the Alternative Investment Fund and ensure that decisions are taken in the interest of the investors;
- abide by the policies of the Alternative Investment Fund to identify, monitor and appropriately



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mitigate any potential conflict of interest throughout the scope of its business;

- not make any misleading or inaccurate statement, whether oral or written, either about their qualifications or capability to render investment management services or their achievements;
- record in writing, the investment, divestment and other key decisions, together with appropriate justification for such decisions;
- provide appropriate and well considered inputs, which are not misleading, as required by the valuer to carry out appropriate valuation of the portfolio;
- not enter into arrangements for sale or purchase of securities, where there is no effective change in beneficial interest or where the transfer of beneficial interest is only between parties who are acting in concert or collusion, other than for bona fide and legally valid reasons;
- abide by confidentiality agreements with the investors and not make improper use of the details of personal investments and/or other information of investors;
- not offer or accept any inducement in connection with the affairs of or business of managing the funds of investors;
- document all relevant correspondence and understanding during a deal with counterparties as per the records of the Alternative Investment Fund, if they have committed to the transactions on behalf of Alternative Investment Fund;
- maintain ethical standards of conduct and deal fairly and honestly with investee companies at all times; and
- maintain confidentiality of information received from investee companies and companies seeking investments from Alternative Investment Fund, unless explicit confirmation is received that such information is not subject to any non-disclosure agreement.

Code of Conduct for members of the Investment Committee, trustee, trustee company, directors of the trustee company, directors or designated partners of NAM

- Members of the Investment Committee, trustee, trustee company, directors of the trustee company, directors or designated partners of the Alternative Investment Fund shall:
- maintain integrity and the highest ethical and professional standards of conduct;
- ensure proper care and exercise due diligence and independent professional judgment in carrying out their roles;
- disclose details of any conflict of interest relating to any/all decisions in a timely manner to the Manager of the Alternative Investment Fund, adhere with the policies and procedures of the Alternative Investment Fund with respect to any conflict of interest and wherever necessary, recuse themselves from the decision making process;
- maintain confidentiality of information received regarding the Alternative Investment Fund, its investors and investee companies; unless explicit confirmation is received that such information is not subject to any non-disclosure agreement not indulge in



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any unethical practice or professional misconduct or any act, whether by omission or commission, which tantamount to gross negligence or fraud

D. APPROACH FOR MANAGING CONFLICT OF INTEREST:

Neo Asset Management has in place various guidelines, internal policies, and procedures for its employees to manage Conflict of interest. Broad guidelines for employees to manage Conflict of Interest are listed below:

- a. Maintain high standards of integrity.
- b. Ensure fair treatment of their clients and not discriminate amongst them.
- c. Ensure that the personal interest of relevant persons does not, at any time conflict with their duty to their clients.
- d. Disclose to the client possible source or potential areas of conflict of interest.
- e. Have in place information barriers to block or hinder the flow of information from one department/ unit to another.
- f. Place appropriate restrictions on transactions in securities while handling a mandate of issuer or client in respect of such security to avoid any conflict.
- g. Restrict the dealing in securities while in possession of material non-published information.
- h. Not to communicate the material non-published information while dealing in securities on behalf of others.
- i. Not in any way contribute to manipulate the demand for or supply of securities in the market or to influence prices of securities.
- j. Not to have an incentive structure that encourages sale of products not suiting the risk profile of their clients.
- k. In managing the aforesaid Conflicted Transactions, the Investment Manager will have regard to its obligations under the Investment Management Agreement, Contribution Agreements and other Scheme Documents pertaining to the Fund and will act in the best interests of the Investors in the Fund.
- l. The Investment Manager will make efforts to see that any transaction involving a potential



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conflict of interest will be effected on arms length basis and on terms that are not less favourable to the Investors in the Fund than if the potential conflict had not existed. The Investment Manager will place significant emphasis on its strong compliance culture, and the efficient operation of systems and controls, to manage issues such as conflicts of interest.

m. The Investment Manager will ensure that the interest of all the Investors is paramount and all personal interests, relationships or arrangements, including those of its affiliated companies/entities do not work against the Investors' interest.

n. The Investment Manager will take appropriate measures intended to assure that it will not unfairly profit from any transaction between its affiliates/group companies/entities and the Fund and all such transactions shall strictly be done on an arm's length basis. The Investment Manager will use reasonable efforts to apportion or allocate business opportunities among persons or entities to or with which they have fiduciary duties and other relationships on a basis that is as fair and equitable as possible to each of such persons or entities, including the Fund.

o. The Interested Parties and their management personnel will devote so much of their time to the Fund as is, in their judgment, reasonably required.

p. Investment manager shall not provide advisory services to any investor other than the clients of Co-investment Portfolio Manager as specified in SEBI (Portfolio Managers) Regulations, 2020, for investment in securities of investee companies where the Alternative Investment Fund managed by it makes investment.

In order to ensure compliance with the aforesaid Guidelines, NAM has in place various internal policies and procedures including policies regarding Code of Ethics, Policy on best execution, Employee Trading Policy, Dealing Room Policy, Investment Team and so on. Neo Asset Management continuously reviews conflict situations and endeavors to keep its policies and procedures updated to address such situations.

E. 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.

All the existing agreements with vendors will be reviewed on renewal to incorporate the clauses as specified in the aforesaid Circular.