

# CONFLICT OF INTEREST MITIGATION POLICY

## 1. INTRODUCTION

The Securities and Exchange Board of India (SEBI), through its circular dated August 27, 2013, mandates all intermediaries to establish an internal code of conduct to identify, address, and manage actual or potential conflicts of interest. Additionally, SEBI's circular no. CIR/CFD/CMD1/168/2019, issued on December 24, 2019, requires Alternative Investment Funds (AIFs) to adhere to the Stewardship Code (the Code) outlined in Annexure A of the circular concerning their investments in listed equities.

In alignment with Principle 2 of the Code, institutional investors must adopt a transparent policy to manage conflicts of interest while fulfilling their stewardship responsibilities and ensure public disclosure of the same.

In accordance with SEBI's regulatory framework, Vaikarya Change LLP ("Vaikarya") has established this Conflict of Interest Mitigation Policy, duly approved by the Board of Partners.

## 2. APPLICABILITY AND OBJECTIVE

For the purpose of this policy, a 'relevant person' includes a partner, employee, or appointed representative of Vaikarya.

This policy is designed to:

- Ensure that Vaikarya has adequate procedures to identify, address, and manage potential conflicts of interest, in compliance with regulatory requirements.
- Provide guidance to relevant persons for managing conflicts and ensuring fair treatment of clients.

## 3. POTENTIAL AREAS OF CONCERN

Vaikarya recognizes and acknowledges the following potential areas of conflict of interest and ensures their effective management:

- Employees of Vaikarya and associated entities engaging in securities market transactions must adhere to SEBI (Prohibition of Insider Trading) Regulations, 2015, with pre-clearance from the Compliance Officer, excluding pooled money investment services or Discretionary Portfolio Manager Services.
- Vaikarya may invest in companies that have rendered services to associated entities, where senior management or employees of these entities could possess price-sensitive information.

- Revenue-sharing arrangements may exist between Vaikarya or its associated entities and vendors, service providers, or issuers of securities whose securities are considered for investment.
- Transactions involving related parties between Vaikarya and its associated entities may create potential conflicts.
- Employees or senior management of associated entities may access material non-public information, influencing investment decisions.
- Acceptance or giving of gifts and donations between employees, partners, clients, or third-party service providers may create ethical conflicts.
- Vaikarya may conduct transactions through brokers, banks, or issuers with whom it has commercial relationships.
- Acting as a principal, agent, or broker in transactions may lead to separate compensation, necessitating transparency.

#### 4. GUIDELINES FOR MANAGING CONFLICTS OF INTEREST

Vaikarya has guidelines, policies, and procedures to help employees manage conflicts of interest. The main guidelines for handling conflicts of interest are listed below:

- Maintain high standards of integrity and professionalism in all operations.
- Treat all clients equitably, avoiding favoritism or discrimination.
- Restrict trading in securities while in possession of material non-public information.
- Prevent market manipulation or actions influencing securities prices.
- Align employee incentives with client interests to avoid conflicts.
- Ensure independent management of funds and operations, maintaining an arm's-length relationship with associated entities.
- Conduct independent research with documented justifications for investment decisions, avoiding reliance on third-party materials.
- Base fund manager decisions solely on the prospects of the investee company and the best interests of investors.
- Maintain separate employees for fund operations and associated entities, with technical information barriers to prevent data sharing or misuse.
- Prohibit employees and directors from accepting or giving gifts, donations, or incentives that may create conflicts.
- Adhere to internal policies such as the Code of Ethics, Personal Trading Policy to ensure regulatory compliance.
- Disclose potential conflicts of interest to clients transparently and ensure all decisions prioritize the best interests of investors.

## 5. POLICY REVIEW AND AMENDMENTS

The Compliance Officer (CO) is responsible for ensuring adherence to this policy and addressing any conflicts that may arise. Any modifications or updates to the Conflict of Interest Mitigation Policy will be made by the joint approval of the Compliance Officer (CO) and Chief Investment Officer (CIO) to maintain alignment with regulatory standards and Vaikarya's operational principles.

## 6. DOCUMENT VERSION CONTROL

Date	Details	Version	Approved by
30 August 2024	Policy introduction	1.0	Board of Partners