



## POLICY ON CONFLICT OF INTEREST

### **LGT Wealth India Private Limited**

[CIN: U65990MH2021FTC365012]

*Registered office:*

7th Floor, A Block, Shiv Sagar Estate, Worli, Mumbai – 400018

## 1. Introduction

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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 governing operations and formulate standards of appropriate conduct in performance of their activities to identify and avoid or to deal or manage actual or potential conflict of interest, if any.

As a provider of a wide range of financial services, LGT Wealth India Private Limited and its subsidiaries (“LGT WEALTH”) can get exposed to actual or potential Conflicts of Interest in its day-to-day business activities.

## 2. Scope

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This Policy summarizes key conflict of interest and the related policies and procedures which shall apply to LGT WEALTH. This Policy is in addition to the provisions, if any, 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 LGT WEALTH.

## 3. Objectives and Applicability of Policy

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3.1. To ensure that policies and procedures are put in place to address potential areas of conflicts as well as to ensure compliance with relevant regulatory requirements.

3.2. To provide guidance to LGT WEALTH and the ‘relevant persons’ on the identification and management of conflicts of interest.

## 4. Key areas of Conflicts of Interest

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4.1 LGT WEALTH may, from time to time:

- a. Acquire, have and/ or maintain a position in any security similar to the securities held, purchased, or sold for and on behalf of the Client forming part of the assets of Client.
- b. Purchase or sell on behalf of the Client, any security/ies, which forms part of the Investment portfolio of the LGT WEALTH and/or its other clients or which is otherwise purchased, sold or traded by the LGT WEALTH on its own account or on account of its other client(s);
- c. Have a commercial or other relationship or agreement with stockbrokers, banks and companies with whom or through whom the transactions are carried out for

purchase and sale of any of the Securities and/or with any issuer of Securities whose Securities are purchased and/ or sold for and/or on behalf of the Client.

- d. Deal on the Client's behalf with any of its subsidiary/associate companies, on same or more favourable terms as would be ordinarily availed from a concern which is not a subsidiary/associate company.
- e. Act, through its subsidiary/associate companies, as an Authorized Person (AP) of NSE /BSE registered Trading member through which the Client's trades shall be executed and receive commission from the Trading member for rendering such services.
- f. During provision of Service, purchase or sell securities from the account of the anyone with whom LGT WEALTH or any of its subsidiary/associate company has a commercial or other relationship or agreement.
- g. Act as principal, agent, or broker in any transaction; and in such event, such principal, agent, or broker shall be separately compensated for its actions in that capacity.
- h. Employ, retain or appoint any of its subsidiary/associate companies, if any, 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 Client. However, LGT WEALTH and its subsidiary/associate company 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, LGT WEALTH 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.

4.2 In addition to above, potential conflict of business may also arise in following situations:

- a. *Gifts and Entertainment:* conflict of interest may arise when an employee provides or receives gifts or entertainment from client or vendor or third parties. Any acceptance/giving of gifts and entertainment should be as per the Gifts and Entertainment Policy (if any) or as per the governing principles of HR policy. In the event of any doubt if any transaction falls under the category of gift or not, the employee shall immediately clarification with his reporting manager and HR before accepting such gift.
- b. *Information disclosure and dissemination:* Any employee or a relevant person should not inappropriately share or disclose to the public, proprietary information about clients, employees' vendors, market conditions or business events. Employees should also not disseminate any unpublished price sensitive information. Sharing of such information may give rise to a conflict of interest.

- c. Outside business activities: If an employee has outside business activities/interest, it may pose a conflict-of-interest situation. Before accepting any outside business activity, the employee should comply with the internal rules and regulations of LGT Wealth, including but not limited seeking management approval, before undertaking any such outside business activities.

## 5. Approach for managing Conflict of Interest:

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LGT WEALTH has in place various guidelines, internal policies, and procedures for its employees to manage Conflict of interest. For effectively management of Conflict of Interest, LGT WEALTH shall ensure:

- a. To maintain high standards of integrity.
- b. To ensure fair treatment of the clients and not to discriminate amongst them.
- c. To ensure that the personal interest of relevant persons does not, at any time conflict with their duty to the clients.
- d. To disclose to the client possible source or potential areas of conflict of interest.
- e. To have in place the required information barriers to block or hinder the flow of information from one department/ unit to another.
- f. To place appropriate restrictions on transactions in securities while handling a mandate of issuer of securities, if any or client in respect of such security to avoid any conflict.
- g. To restrict the dealing in securities while in possession of material non-published price sensitive information.
- h. Not to communicate the material non-published price sensitive information while dealing in securities on behalf of others.
- i. Not to contribute anyway, 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. To ensure not to share information received from clients or pertaining to them, obtained as a result of their dealings, for their personal interest.

## 6. Roles and Responsibilities:

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- a. Duties and Responsibilities of all Employees:

All employees are entrusted with an ongoing responsibility to identify and appropriately respond to Conflicts of interest. If there is no specific policy in place for managing any perceived Conflict of Interest, the employee should immediately refer the Conflict of Interest to his Reporting Manager and to the Legal and Compliance department for assessment and guidance. Employees should not only report the existing Conflicts of Interest but also potential ones and situations where there is the perception of a Conflict of Interest.



b. Duties and Responsibilities of Senior Management:

Members of senior management are responsible for ensuring that reasonable steps are taken to identify, access and manage conflicts arising in usual course of business. This shall include carrying periodic review and assessment of existing policies and procedures.

c. Duties and Responsibilities of Legal and compliance Department:

It shall be the responsibility of Legal and Compliance Department to ensure necessary awareness amongst employees by wide circulation of related policies & procedures.

## 7. Review of Policy:

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The Policy shall be reviewed and updated periodically to ensure that it is in lines with the prevailing regulatory requirement.