

## **Lohia Securities Limited**

### **Policy on Conflict of Interest**

#### **Statement of Principal**

Lohia Securities Limited & its Group conducts its business according to the principal that it must manage conflicts of interest fairly, both between itself and its Clients and between one Client and another.

#### **Introduction**

As a financial services provider, the Company faces actual and potential Conflicts of Interest periodically.

The Company's policy is to take all reasonable steps to maintain and operate effective organizational and administrative arrangements to identify and manage relevant conflicts.

Compliance Officer is responsible for ensuring that the Company's system, controls and procedures are adequate to identify and manage Conflicts of Interest.

#### **Objective**

The Company is required to take all reasonable steps to identify and adequately manage Conflict of Interests entailing a material risk of damage to a Client's interest. This policy specifies the requirement for the Company & group to have in place appropriate procedures and measures in order to identify and manage any such material Conflicts of Interest.

#### **Scope**

For the purposes of this document this policy applies to those Conflicts of Interest that may give rise to a material risk of damage to the interests of a Client. Conflicts of Interest may arise between:

- The Company and a Client ;
- a Relevant Person and a Client ;
- two or more Clients of the Company in the context of the provision of services by the Company to those Clients ;
- A Vendor of the Company and a Client.

For the purpose of this policy, Clients include existing Clients of the Company, potential Clients and past clients of the Company where fiduciary or other duties remain in place &



Relevant Person means a Director, Company Secretary, Compliance officer or equivalent, and an employee of the company.

### **General Guidance**

In identifying Conflicts of Interest, the Company will consider all of the factual circumstances and the Company will take into account, inter alia, whether the Company, Vendor or a Relevant Person :

- is likely to make a financial gain, or avoid a financial loss, at the expense of the 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's interest in that outcome;
- has a financial or other incentive to favour the interest of a Client or group of Clients over the interest of another Client ;
- carries on the same business as the Client; and/or
- receives or will receive from a person other than the Client an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard brokerage, commission or fee for that service.

### Examples of Potential Conflicts of Interest

Within a multi-service financial Company, Conflicts of Interest may arise in a variety of situation. Areas of concern include:

- Proprietary & Client trading
- Distribution Services
- Research
- Depository Services

Below are non-exhaustive examples of what may be considered typical conflicts of interest that may arise in relation to services provided by the Company:

- The Company may provide Depository services to a company in relation to whose securities Clients are entering into a transaction. However, the flow of such information is restricted by a Chinese wall which ensures physical separation of departments. Undue circulation of confidential information and prevents the use of confidential information in ways that may damage market integrity or client interests.
- In carrying out business, employees may learn confidential or proprietary information about Company's clients, prospective clients or other third parties.
- The company may act for different institutional and corporate clients acquiring or disposing of the same security.



- The Company may issue research reports/recommendations in relation to the securities in which the company is interested, say one of our group company is listed company and we may issue research report/recommendations for the same;
- The Company or Relevant person receives or provides substantial gifts or entertainment that may influence behavior in a way that conflicts with the interests of the Clients of the company.

### **Identifying and Managing Conflicts of Interest**

Should a Conflict of Interest arise, it must be managed promptly and fairly. The company shall ensure that there are effective procedure in place to control the flow of information where, otherwise, the risk of a Conflict of Interest may harm the interest of a Client.

The Company operates on a "Need to Know" approach and complies with all applicable laws with respect to 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 or the Company.

The principal way in which the Company manages Conflicts of interest is through the maintenance of information barriers ("Chinese Wall") in accordance with the Company's Chinese wall policies which are designed to restrict information flows between different areas of the Company.

### **Publications**

Our conflict of interest policy is published on our website and easily accessible to all.

### **Review of Conflicts of Interest Policy**

This policy shall be reviewed annually and updated as may be required.

### **Internal Code of conduct on Conflict of Interest**

- i) • To maintain high standard of integrity in the conduct of business at all times ;
- ii) To ensure fair treatment of clients and not to discriminate among them ;
- iii) To ensure that Company's personal interest does not, at any time conflict with duty towards client's and client's interest always takes primacy in Company's advice, investment decisions and transactions;
- iv) To make appropriate disclosure to the clients of possible source or potential areas of conflict of interest which would impair ability to render fair, objective and unbiased services;



- v) 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.;
- vi) To 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;
- vii) Not to deal in securities while in possession of material non published information;
- viii) Not to communicate the material non published information while dealing in securities on behalf of others;
- ix) Not to contribute in any way to manipulate the demand for or supply of securities in the market or to influence prices of securities;
- x) Not to have an incentive structure that encourages sale of products not suiting the risk profile of clients;
- xi) Not to share information received from clients or pertaining to them, obtained as a results of dealings with clients, for Company's personal interest;

