CONFLICT OF INTEREST POLICY

Holani Venture Capital Fund – 1

(A scheme of Holani Venture Capital Fund)

Effective Date: April, 30 2024

Version 1.0

1. Statement of Principle

Holani Capital Advisors LLP ("the Investment Manager" or "IM") is committed to conducting its business in accordance with the principle of managing conflicts of interest fairly and transparently. This includes managing conflicts between the Investment Manager and its investors, as well as conflicts that may arise between different investors.

2. Introduction

The Securities and Exchange Board of India (SEBI), through its circular no. CIR/MIRSD/5/2013 dated 27th August, 2013, mandates all registered intermediaries to implement comprehensive guidelines for identifying and eliminating conflicts of interest, including those involving their associates. As an SEBI-registered intermediary, the Investment Manager (IM) acknowledges that it faces both actual and potential conflicts of interest from time to time. The IM is committed to taking all reasonable steps to maintain and operate effective organizational and administrative arrangements to identify, manage, and mitigate these conflicts.

Senior management at the IM is responsible for ensuring that the systems, controls, and procedures in place are sufficient to identify and manage conflicts of interest. The Compliance Department assists in identifying, monitoring, and reviewing both actual and potential conflicts. The IM has implemented business-specific procedures that address the identification and resolution of such conflicts, which may arise during its operations.

3. Objective

The objective of this policy is to ensure that the Investment Manager takes all reasonable steps to identify and effectively manage conflicts of interest that entail a material risk of damage to an investor's interest. This policy establishes the framework for the IM to maintain adequate procedures and controls to identify, disclose, and manage any material conflicts of interest that may affect its decision-making or impartiality.

4. Scope

a) Conflict of Interests: This policy applies specifically to conflicts of interest that may result in a material risk of harm to the interests of an investor. Such conflicts may arise between the IM and an investor, a Relevant Person and an investor, or an IM vendor and an investor. Section 7 of this policy provides illustrative examples of typical conflicts that may arise in a financial services context.

b) Regulated Business: For the purposes of this policy, "Regulated Business" refers to any business activity directly regulated by SEBI, including fund management.

c) Relevant Person: A "Relevant Person" includes:

- A director, partner, manager, or appointed representative of the IM;
- An employee of the IM or its representative (or tied agent), or any natural person under the IM's control who participates in regulated activities;
- Any individual involved in providing services to the IM or its representative under an outsourcing arrangement relevant to investment services.

d) Application: This policy applies to all Relevant Persons. It supersedes other existing internal policies and forms the foundational framework for all procedures related to the identification and management of potential conflicts.

e) IM Vendor Relationship: An "IM Vendor Relationship" refers to any service provider offering outsourced or support services to the IM, whether internal or external, where such services impact the IM's operations.

5. Rules and Regulations

This policy adheres to the guidance outlined in SEBI's circular no. CIR/MIRSD/5/2013 dated 27th August, 2013. The IM's policy reflects the minimum standard expected for conflict management and does not replace any additional obligations that may be imposed by other applicable regulatory requirements.

6. General Guidance

When identifying potential conflicts of interest, the IM considers the overall factual context and evaluates whether the IM, a vendor, or a Relevant Person:

- Is likely to derive a financial benefit or avoid a financial loss at the investor's expense;
- Has an interest in the outcome of a service or transaction that differs from the investor's interest;
- Receives inducements (monetary or otherwise) from third parties in connection with a service provided to the investor, beyond the standard fee or commission.

7. Potential Conflicts of Interest

During its business, the IM may encounter conflicts in various areas. Key concerns include:

- Investment of the IM's proprietary funds;
- Transactions involving partners or employees who have a vested interest.

Examples of typical conflicts include:

- The IM investing its own funds into schemes it manages. In such cases, the IM must not charge investment management fees to avoid conflicts of interest.
- Purchase or sell on its own account or on behalf of any other investor, any security which forms part of the Assets of Account.
- 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.
- 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. 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.

8. Identifying and Managing Conflicts of Interest

When a conflict of interest arises, it must be addressed promptly and fairly. The IM has adopted the following measures to manage conflicts:

A. Policies and Procedures

i. The IM has established comprehensive policies and procedures across its business units to identify and manage conflicts of interest. These are regularly monitored and reviewed. The IM:
has laid 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, developed an internal code of conduct governing operations and established standards of appropriate conduct in the performance of their activities, and ensured to communicate such policies, procedures and code to all concerned;

ii. shall always maintain high standards of integrity in the conduct of their business;

iii. shall ensure fair treatment of their clients and not discriminate amongst them;

iv. ensure that their personal interest does not, at any time conflict with their duty to their clients and client's interest always takes primacy in their advice, investment decisions and transactions;

v. ensure that the IM does not deal in securities while in possession of material non published information;

vi. shall not communicate the material non published information while dealing in securities on behalf of others;

vii. shall not in any way contribute to manipulate the demand for or supply of securities in the market or to influence prices of securities;

viii. shall not have an incentive structure that encourages sale of products not suiting the risk profile of its investors;

ix. shall not share information received from investors or pertaining to them, obtained as a result of their dealings, for their personal interest

B. Information Barriers: The IM strictly enforces confidentiality protocols and follows a "need-to-know" approach to ensure sensitive information is accessible only to those with a legitimate purpose. All applicable laws are followed in handling investor data.

C. Separation of Functions: Where conflicting functions exist within the IM, they are either handled separately or managed independently under different leadership to avoid conflicts.

D. Gifts and Entertainment: The IM allows only nominal, non-cash gifts that are customary and legal. Gifts or favors must never be intended to influence business decisions or create the appearance of impropriety.

E. Personal Account Dealing: Employees are subject to personal account dealing rules, with certain transactions requiring pre-approval. These rules are designed to prevent misuse of insider or client-related information.

F. Declining to Act: If a conflict cannot be adequately managed or mitigated, the IM reserves the right to decline to act on behalf of an investor.

G. Blanket Bans on Certain Investments: The schemes managed by the IM do not invest in the group or associate companies of the fund sponsor to prevent perceived or actual conflicts.

H. Recusal from Decision-Making**:** Any individual with an actual or potential conflict must recuse themselves from the decision-making process related to the transaction. If a conflict is identified, it is escalated to the Chief Investment Officer for further action.

I. Disclosure**:** If a conflict is unavoidable and cannot be resolved through internal mechanisms, the IM will disclose the nature of the conflict to investors, enabling them to make an informed decision about continuing with the IM's services.

9. Review by Board of IM and Trustee

This Conflict-of-Interest Policy will be periodically reviewed by the Partners of the Investment Manager and Orbis Trusteeship Private Limited to ensure ongoing relevance and effectiveness in managing conflicts of interest.