

POLICY FOR MANAGING CONFLICTS OF INTERESTS

OBJECTIVE/SUMMARY OF THE PROCEDURE

This policy describes how BNPP AM- India identify, prevent and manage potential conflicts of interests.

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BNP PARIBAS
ASSET MANAGEMENT

The asset manager
for a changing
world

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CONTEXT

1.1. Regulatory Context

SEBI (Mutual Funds), Regulation, 1996 provides following on conflict of interest:

“In case a company is appointed as a trustee then its directors can act as trustees of any other trust provided that the object of the trust is not in conflict with the object of the mutual fund.

The trustees shall ensure that there is no conflict of interest between the manner of deployment of its networth by the asset management company and the interest of the unit- holders.

The AMC shall not undertake any business activities other than in the nature of management and advisory services provided to pooled assets including offshore funds, insurance funds, pension funds, provident funds, if any of such activities are not in conflict with the activities of the mutual fund.

Provided that the asset management company may itself or through its subsidiaries undertake such activities, as permitted under above clause subject to certain conditions.

Trustees and asset management companies must avoid conflicts of interest in managing the affairs of the schemes and keep the interest of all unitholders paramount in all matters.

The trustees shall ensure that the asset management company has been managing the mutual fund schemes independently of other activities and have taken adequate steps to ensure that the interest of investors of one scheme are not being compromised with those of any other scheme ***or of other activities of the asset management company.***

Further SEBI vide Circular no. CIR/MIRSD/5/2013 dated August 27, 2013 has directed all SEBI registered intermediaries to adhere to the guidelines provided by SEBI for avoiding or dealing with or managing conflict of interest.

BNP Paribas Group Policy states that investment service providers, and among them asset management firms, are due to maintain and operate effective administrative arrangements with a view to taking all reasonable steps designed to prevent conflicts of interest, which must be put in writing.

The policy for managing conflicts of interest, which can be adapted to the specific characteristics of the service providers (size, organisation, nature, scale and complexity of their activity), must also take into account affiliation to a group.

This policy is based on identifying situations which are liable to, or really give rise to conflicts of interest likely to affect the interests of one or several clients.

The policy establishes the procedures to respect and the measures to take in order to manage conflicts. When the measures **taken are not sufficient to guarantee that the risk of affecting clients' interests will be avoided, the client must be made** clearly aware of the nature and/or source of the conflicts of interest, before transactions are carried out on their behalf.

As an additional back-up to this policy, a record shall be created and regularly updated containing the names of the services and/or activities which could generate potentially detrimental conflicts of interest. These services and /or activities are appended in Annex 1.

1.2. Specific asset management issues

The fiduciary nature of the services BNPP AM-India provide to clients also reinforces, if it is at all necessary, the importance of identifying, preventing and managing conflicts of interest.

Moreover, the framework for investment management has, for a long time, been based on the attention given to potential **conflicts of interest. Numerous regulatory structures and professional codes of compliance ensure that clients' interests** remain the top priority.

This is reflected in the confirmation of the independence of investment management - from other financial activities - and **the necessity of building “Chinese walls” when appropriate. The same applies to the focus on relationships with “linked companies” (linked either by direct or indirect equity holding or by control as may be defined in local regulations), and the**

need for a tighter framework of terms and conditions. This is also the case, for management companies, due to the limited services or activities which are available to a small number of them, and which are by nature not very conflicting: management, investment consultancy, order reception-transmission, marketing of mutual funds.

Management of the conflicts of interest that may fall within the framework of these regulatory structures and professional codes of compliance: sometimes, the regulatory structure alone, through direct application, can represent the framework for the management of potential conflicts of interest, especially on a cross-company basis, when various activities within the group, and in distinctly separate legal entities, are being targeted.

1.3. Objectives

Regardless of the extent and quality of the coverage of potential conflicts of interest by the regulations, professional codes of compliance, Group procedures or in-house procedures, unforeseen situations may occur at any time and increase the risk of a conflict of interest.

It is necessary to prepare a framework allowing employees faced with a conflict of interest or who consider - rightly or wrongly - that a conflict of interest exists, to signal the fact and ensure that it is managed in the most suitable manner.

The key factors highlighting and managing potential conflicts of interest are employee awareness and training, and the involvement of the Heads of Compliance.

This policy includes a section on employee awareness: along with the independence of investment management, the fact that **clients' interests are priority is one of the basic principles of the business** and its importance should be highlighted regularly.

1.4. Definition

A conflict of interest is a situation where, in the framework of the activities of BNPP AM – India, the interests of BNPP AM–India and/or of their clients and/or of their employees are in competition, either directly or indirectly.

An interest is a benefit of any nature, material or immaterial, professional, commercial, financial or personal.

This definition applies to real, potential or apparent conflicts of interests.

THE POLICY FOR MANAGING CONFLICTS OF INTEREST WITHIN BNPP AM AND ITS ENTITIES

The requirements of the policy to:

- 1) identifying potential conflicts of interest;
- 2) pinpointing the regulations and procedures for avoiding or managing conflicts of interest;
- 3) establishing and implementing these procedures;
- 4) creating a record;
- 5) implementing measures for informing clients when conflicts of interest cannot be overcome;
- 6) creating a framework for dealing with cases which do not correspond to the previous headings;
- 7) making efforts to increase employee awareness and training programmes.

The policy described above requires, both in practice and at regulatory level, in-depth studies and specific implementation at the level of each entity.

2.1. Identifying potential conflicts of interest

The following factors need to be taken into consideration:

- a) Situations in which conflicts may occur between clients and/or with the managing entity, due to the number of clients whom BNPP AM – India provide investment services.

For example:

- late allocation of a **Scheme's /client's or Scheme's / clients' order** , which may result in an advantage or disadvantage for certain Schemes /clients;

- allocation of stock-market errors to the Scheme Account /client accounts and not to the concerned entity;
- preferential allocation of issuance operations, IPOs and private investments to specific Scheme / Client ;
- direct transactions from managed account to managed account, or between a principal account and a managed account;
- contracts received from clients/service provider in competition or in conflict with each other, etc.

b) Organisational and contractual terms and conditions likely to cause conflicts of interest.

For example:

- employees attached to a same service, carrying out different activities which should be separated (managers/accountants, managers/traders, operational employers/controllers, proprietary trading/third-party investment, etc);
- the terms and conditions of employee compensation for operations which may result in risks for clients (portfolio rotation, performances, etc.);
- existence of commission sharing agreements within investment support services such as those related to economic and market research, etc.

c) Situations which place BNPP AM – India in conflict with other activities within the group.

For example:

- when choosing intermediaries (brokers, structures, etc.), taking into account any pre-existing financial links with the management company;
- taking into account the position of linked enterprises in the capital or banking pool of companies when investing, divesting or voting at AGMs;
- investing in securities issued by a linked enterprise, or a company which is a client of a linked enterprise (consultancy contract for example);
- investment in assets on the back of privileged information from a linked enterprise;
- selection of a linked custodian to the detriment of quality and security;
- failure to pay credit interest for client liquidities;
- use of voting rights attached to securities under management to favour the securities of the issuer, linked enterprise, and not the **clients'** interests;
- the loan of securities to help the clients of a linked enterprise, etc.

d) Situations in which conflicts of interest may appear between the personal interests of certain employees, on account of their activities, and the interests of their clients, or between the interests of the contracting company and their personal interests.

For instance, obvious examples are:

- transactions carried out on a security by an employee on his own behalf before the execution of investment or disinvestment decisions made on behalf of clients for the same security;
- an employee acting as counterparty to a fund or portfolio;
- employees accepting gifts which may result in actions with an unfavourable impact on client interests;
- employees with activities or contracts beyond the contracting company, etc.

2.2. Pinpointing regulations and procedures for avoiding or managing conflicts of interest

Pursuant to SEBI (Mutual Funds), Regulation, 1996 and various circular issued from time to time, AMC must avoid conflicts of interest in managing the affairs of the schemes and keep the interest of all unitholders paramount in all matters.

The Compliance Officer shall make a report on transaction by employees, from the view point of possible conflict of interest and shall submit it to the trustees with his/her recommendations, if any.

The most important regulations or organisational measures include those relative to independent management, the priority **given to clients' interests, and, in the** specific case of management companies, measures limiting the range of services that they may offer.

One of the foundations of all the procedures that require implementation is that the regulatory obligations concerning independent management in the sole interest of clients are reviewed and highlighted on a regular basis. This also applies to the strict compliance with Chinese Wall regulations.

Nevertheless, for more specific issues, which are not covered in detail by the regulations, it is permitted to implement the necessary procedures as required by the latest directives.

2.3. Establishing and implementing these procedures

2.3.1. General approach

This Procedure is designed "to ensure that relevant persons engaged in different business activities involving a conflict of **interest (.....) carry on those activities at a level of independence appropriate to the size and activities of the investment** firm and of the group to which it belongs, and to the materiality of the risk of damage to the interests of clients".

The purpose of the procedures means that, once a conflict has been discovered and the factors resulting in the conflict have been clearly identified, it is possible to establish the ways and means of limiting, if not removing, the impact.

Further, this procedure provides operational method for dealing with conflict of interests (by whom, how, using which documentation etc.)

2.3.2. Information Barriers

BNPP AM has established and operates internal organisational arrangements to avoid conflicts of interest by controlling, managing or restricting as deemed appropriate the flow of privileged information between different areas of business or within a specific **division or department. In particular, "Chinese Walls" are a key tool for conflict of interest prevention avoiding insider dealing and market manipulation risks. "Chinese Walls" can involve separation of premises, personnel, reporting lines, files and IT-systems and controlled procedures for the movement of personnel and information between the entities of BNPP AM and BNP Paribas and any other part of the Group. BNP Paribas maintains permanent information barriers between the Research, Proprietary Trading, and Portfolio Management etc.**

2.3.3. Handling of confidential information

BNPP AM has adopted the following principles in handling confidentiality including price sensitive information:

- BNPP AM – India and its employees will respect laws with regard to data handling, including privacy regulations, and regulations regarding the handling of price sensitive information, both in letter and in spirit.
- BNPP AM – India and its employees will only provide confidential information to external parties to the extent it is obliged or allowed to do so by law, regulation and/or if foreseen in the provision of services requested.
- Client information will always be treated in accordance with the appropriate level of confidentiality.
- Client confidential information will only be **shared internally on a "need to know" basis unless other arrangements have been agreed upon with a client.**
- **Price sensitive information will be subject to "Chinese Wall" procedures and will not be passed from one entity to another or from one department to another.**

2.3.4. Best execution

BNPP AM will act in the best interests of their clients while placing orders.

2.3.5. Personal Transactions

Employees shall at all times avoid the use of price sensitive information in executing private securities transactions and adhere to the Compliance rules of BNPP AM regarding personal transactions.

2.3.6. Additional activities

Business interests will at all times be separated from private interests of employees. Even the appearance of such conflicts should be avoided at all times.

By way of example, conflicts between business and private interests may arise when an employee accepts an outside function with a client or when an employee performs professional activities for commercial parties that are active in the same market as an entity of BNPP AM.

2.3.7. Gifts and Invitations

BNPP AM – India and or their employees do not offer, give, solicit or accept gifts or entertainment or invitations that are considered as conflicting with duties owed to clients. This conflict is addressed within Gifts and Invitations Policy.

2.3.8. Inducements

BNPP AM – India does not offer, solicit or accept any inducements, other than the following:

- a) A fee, commission or non-monetary benefit provided to or by a client or a person on behalf of a client;
- b) A fee, commission or non-monetary benefit provided to or by a third party or a person acting on behalf of a third party, under the following conditions:
 - the fee, commission or benefit is disclosed to a client, prior to the provision of the relevant service; and
 - it is designed to **enhance the quality of the relevant service to a client and in line with BNPP AM entities' duty to act in the best interests of its client;**
- c) Proper fees for the provision of investment services, such as custody costs, settlement and exchange fees, regulatory **levies or legal fees, and which cannot give rise to conflicts with BNPP AM entities' duties to act honestly, fairly and professionally in accordance with the best interests of their clients.**

An incentive structure that encourages sale of products not suiting the risk profile of their clients is strictly prohibited.

2.3.9. Remuneration practices

Remuneration policies and practices should not run counter to the interests of our customers and should not create incentives that could encourage the relevant persons to favour their own interest and that of BNPP AM India to the detriment **of the customer's interest.**

Some categories of employees are particularly concerned: employees with direct or indirect relationship with customers, **"risk takers" such as investment managers**, people providing controls, main heads of divisions.

The rules are setting guidelines for variable remuneration, of which a part can be provided in a deferred way and in the form of shares financial instruments.

2.4. Creating a record

The policy is based on the mapping of the potential conflicts of interest relevant to each business line, particularly in the Asset Management Business line, can specifically establish. This mapping, which may be completed by the addition of particular characteristics or experiences, is considered to be the record.

This record, which may have regulatory status, is an important tool which should be regularly reviewed and updated. It is designed to be presented to internal Inspectors and regulators.

The record is not only designed to meet regulatory requirements; it is an integral part of procedures, as it helps verify their existence.

2.5. Informing clients when conflicts of interest cannot be overcome

In this situation, the employees with prior consultation of Compliance Officer must make clients fully aware, before acting on their behalf, of the general nature and/or the source of the conflict of interest.

The terms and conditions for providing the information may vary according to the situations or the circumstances in which the conflicts of interest arise.

When dealing with cases that, in principle, procedures could not avoid or could not fully resolve, the terms and conditions for the provision of information must be established with the head of Compliance at the entity. It should be noted that the implementing directive recommends a certain level of formalism in both the means (a lasting support) and the content (relatively detailed) of the information provided to the client. The client has to be able to make an informed decision, which implies that he can review the service which has, where relevant, been affected by the conflict of interests.

2.6. Dealing with cases which do not correspond to the previous headings

At any time, employees may identify a situation which may appear to generate a conflict of interest between them or their entity and the clients.

It is their duty to inform their managers, and the Compliance department, to ensure that the latter is always involved in the management of the aforementioned situation.

Procedures at entities must be adopted to include a system for reporting pertinent feedback. This is referred to during training programmes.

Where a conflict of interests cannot be correctly settled by organisational arrangements and implemented procedures, the entities of BNPP AM and their employees can:

- Refuse to act, if the situation entails a particularly high risk;
- Disclose the conflict of interest or obtain the renunciation or appropriate consent of the client, since the disclosure does not exonerate BNPP AM – **India of their duty to manage conflicts of interests' situations in order to prevent excesses and protect the client.**

2.7. Increasing employee awareness and training programmes

To conclude, employees shall be trained on this policy periodically by Compliance department. The training shall contain a section on identifying and dealing with conflicts of interest.

An employee training session shall be organised with a specific section on conflicts of interests, which contains specific illustrations for each entity, and for the services offered to clients.

APPENDIX 1:

Procedures for Management of Identified Conflicts (Including situations involving Research and Inducements)

	SERVICE OR ACTIVITY PROVIDED TO CLIENT	POTENTIAL CONFLICTS IDENTIFIED	METHOD OF MANAGING THE CONFLICT
1	Relations with third parties	BNPP AM has a privileged relationship with the Client (director, major shareholder, etc.).	<ul style="list-style-type: none"> • Compliance rules
2	Relations with third parties	The Client has a privileged relationship with BNPP AM (director, major shareholder, etc.).	<ul style="list-style-type: none"> • Compliance rules
3	Relations with third parties	The Client has a conflict of interest with BNPP AM (ex: BNPP AM and Clients are competing to realize a transaction with a third party).	<ul style="list-style-type: none"> • Compliance rules
4	Relations with third parties	A Client of BNPP AM has a conflict of interest with another Client of this entity (ex: BNPP AM is asset manager (advisor) for two competing Clients. Two competitors seek advisory services for the same transaction.	<ul style="list-style-type: none"> • Compliance rules
5	Relations with third parties	Use of privileged or confidential information detained by BNPP AM (ex: The investment (or investment advice) of a managed Client's assets could be based on confidential or inside information gathered by BNPP AM from another Client or within another business).	<ul style="list-style-type: none"> • Compliance rules • Prevention of insider trading
6	Relations with third parties	An Employee receives a gift from a client, counterparty, a supplier, a broker, an issuer, etc. or from a prospect.	<ul style="list-style-type: none"> • Gift and Invitations policy
7	Relations with third parties	BNPP AM provides a gift to a client, a counterparty, a supplier, a broker.	<ul style="list-style-type: none"> • Gift and Invitations policy
8	Relations with third parties	The client intervenes in the investment decision within its mandate.	<ul style="list-style-type: none"> • Mandate disposals (not applicable since we don't offer Non - discretionary portfolio management)
9	Dealing and Managing	BNPP AM or one of its staff members may have a material interest or be a Director in a company and also invest for a client in that company.	<ul style="list-style-type: none"> • HR policy • Restricted Trading List • Declaration of corporate offices held on a private basis
10	Dealing and Managing	BNPP AM carries out several different business transactions with the Client or play several different roles in a complex transaction with the Client.	<ul style="list-style-type: none"> • Compliance rules (primacy of clients interest) • Mandate disposals
11	Dealing and Managing	BNPP AM or one of its staff members may have a relationship with a company and also invest for a client in that company.	<ul style="list-style-type: none"> • HR policy • Gifts and Invitations policy • Restricted Trading List
12	Dealing and Managing	The object of the transaction (investment, advice, research) is an asset issued or underwritten by BNPP AM (ex: BNP Paribas Capital gains; certificates EMTN).	<ul style="list-style-type: none"> • Procedures (Not applicable)

	SERVICE OR ACTIVITY PROVIDED TO CLIENT	POTENTIAL CONFLICTS IDENTIFIED	METHOD OF MANAGING THE CONFLICT
13	Dealing and Managing	The object (the counterparty) of the transaction (investment or divestment) is a service, financial instrument or asset produced or issued by other Client of BNPP AM entities (ex: a firm is a Client. Investment of another Client's assets in shares of the firm; IPO; corporate event...).	<ul style="list-style-type: none"> • Clients interest • Compliance rules
14	Dealing and Managing	BNPP AM is the counterparty in the transaction (investment, divestment) – ex: Advice given to a Client to invest (or disinvest) his managed assets in assets BNPP AM owns in its portfolio or is mandated to sell.	<ul style="list-style-type: none"> • Client interest
15	Dealing and Managing	The business transaction (investment or divestment of Clients' assets) follows an action (or inaction) on BNPP AM entities' proprietary account or, more generally, serves BNPP AM interest other than its commercial interest. (Ex: BNPP AM as asset manager could (using its Clients' assets) follow, the answer of this entity (as a shareholder) to a tender offer, takeover bid).	<ul style="list-style-type: none"> • Compliance rules • No proprietary trading (other than seed capital)
16	Dealing and Managing	BNPP AM has an interest in the primary object of the transaction with the Client, or a third party has an interest in BNPP AM and a business interest in the transaction. (Ex: BNPP AM sells a Client, possibly under management, a financial instrument issued by a company of which it is a director or shareholder. The reverse situation is when the issuer is a director or shareholder of BNPP AM).	<ul style="list-style-type: none"> • Compliance rules
17	Dealing and Managing	BNPP AM is also the intermediary for the transaction (Ex: Execution of a buy (or sell) trade on a regulated market on behalf of a Client through a (affiliated) broker owned by the Group).	<ul style="list-style-type: none"> • Best selection and best execution policy
18	Dealing and Managing	Artificial inflation of the number of transactions carried out with a single Client so that BNPP AM receive more commissions (cf. churning).	<ul style="list-style-type: none"> • Clients interest
18	Dealing and Managing	BNPP AM may have an interest in a transaction which may conflict with a client's interest e.g. BNPP AM may profit from churning a client's portfolio.	<ul style="list-style-type: none"> • No proprietary trading (other than seed capital) • Chinese Walls arrangements • Restricted Trading List • Monitoring on churning and switching
19	Dealing and Managing	BNPP AM or its staff members may have interest in executing a transaction through a counterparty which is less favourable where there might be an 'inappropriate relationship' (through affiliates or where there are inducements/ gifts).	<ul style="list-style-type: none"> • Gifts and Invitations policy • Approved Counterparty List • Counterparty Committee • Inducements guidelines available for all Sales staff

	SERVICE OR ACTIVITY PROVIDED TO CLIENT	POTENTIAL CONFLICTS IDENTIFIED	METHOD OF MANAGING THE CONFLICT
20	Dealing and Managing	BNPP AM may deal with a counterparty and receive benefits that are not passed to clients or do not benefit the client directly. i.e. a dealer may receive an inappropriate gift from a broker which may influence his/her decision on the choice of counterparty.	<ul style="list-style-type: none"> • Gifts and Invitations policy • Approved Counterparty List • Counterparty Committee • Inducements guidelines for all Sales staff
21	Dealing and Managing	BNPP AM favours certain Clients or related third parties in the execution or allocation of transactions (preference in terms of order execution or allocation of an investment, acceptance of "late trading" or "market timing", etc.).	<ul style="list-style-type: none"> • Compliance rules • Operational process
22	Dealing and Managing	BNPP AM favours its proprietary transactions at the expense of Client's transactions in terms of execution or allocation.	<ul style="list-style-type: none"> • Case is limited to investment of cash of BNPP AM, in some specific collective investment schemes.
23	Dealing and Managing	Except on special request of the client, BNPP AM does not invest excess cash on its Clients' accounts in their best interests (leaving his Clients' excess cash deposits in a Bank account, without any remuneration).	<ul style="list-style-type: none"> • Compliance rules
24	Dealing and Managing	BNPP AM is the counterparty of the rights (attached to the Client's assets) it exercises on behalf of the Client (Ex: Exercise by the asset manager of voting rights attached to BNP Paribas shares (owned by the Clients), ex: 1) BNPP capital gains 2) defect of action for a corporate event).	<ul style="list-style-type: none"> • Compliance rules • Proxy voting policy
25	Dealing and Managing	BNPP AM exercises (or does not exercise) on the Client's behalf a right following its action or inaction on its proprietary account or in its own interest (ex: The asset manager uses the Client's voting rights in the same way as the entity uses its own rights, i.e. to approve a financial transaction).	<ul style="list-style-type: none"> • Compliance rules • Proxy voting policy
26	Dealing and Managing	BNPP AM may proxy vote in relation to a company in which the client has an interest but is in contravention of the client's interests .	<ul style="list-style-type: none"> • Proxy Voting Committee • Proxy Voting Policy
27	Dealing and Managing	BNPP AM is the counterparty for the Client's financial instruments lending (ex: An asset manager lends his Client's securities to BNPP AM).	<ul style="list-style-type: none"> • Compliance rules
28	Dealing and Managing	Securities lending on behalf of a Client follows the proprietary action (or inaction) of BNPP AM, or its interest, or the Corporate advice it issues (ex: Clients' securities are lent as a favour to another client of BNPP AM).	<ul style="list-style-type: none"> • Compliance rules
29	Dealing and Managing	BNPP AM may execute a conflicting buy/ sell or long/short order for another client.	<ul style="list-style-type: none"> • Compliance monitoring

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30	Dealing and Managing	BNPP AM may give preferential treatment to a member of staff, other client or its own orders in relation to timely/ best execution.	<ul style="list-style-type: none"> • Internal Procedures on allocation • Personal Account Dealing policy, in addition staff place orders externally to BNPP AM and are not aggregated with client deals • No proprietary trading (other than seed capital and some specific collective investment schemes)
31	Dealing and Managing	BNPP AM may execute the same transaction for a client after a client/ own account order / PA deal.	<ul style="list-style-type: none"> • Internal Procedures on allocation • Personal Account Dealing policy, in addition staff place orders externally to BNPP AM and are not aggregated with client deals • No proprietary trading (other than seed capital)
32	Dealing and Managing	BNPP AM may aggregate a client order with another transaction which may result in a worse price and/or increased costs being obtained for some transactions.	<ul style="list-style-type: none"> • Disclosure in Investment Management Agreement • Internal procedures on aggregation and allocation of orders • Compliance monitoring
33	Dealing and Managing	BNPP AM may invest a client's assets in collective investment schemes of which the manager or an affiliate has a relationship or is directly involved.	<ul style="list-style-type: none"> • Disclosure • General policy to separate fees from management charges • Inducements guidelines for all Sales staff
34	Dealing and Managing	When staff is allowed to use third party brokers they have may have wider market access than clients.	<ul style="list-style-type: none"> • Personal Account Dealing policy, in addition staff place orders externally to BNPP AM and are not aggregated with client deals • Restricted Trading List
35	Dealing and Managing	BNPP AM may 'cross' or 'match' client orders with other client orders and this may result in the best possible price not being achieved.	<ul style="list-style-type: none"> • Internal procedures on Cross Transactions: fair price methodology • Personal Account Dealing policy, in addition staff place orders externally to FI and are not aggregated with client deals • No proprietary trading (other than seed capital)
36	Dealing and Managing	BNPP AM may allocate client orders in a way which disadvantages an individual client.	<ul style="list-style-type: none"> • Internal policy on allocations
37	Dealing and Managing	BNPP AM or its staff members may deal with companies because of inducements/ gifts and these may impact the entity's performance.	<ul style="list-style-type: none"> • Gifts and Invitations policy

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38	Dealing and Managing	BNPP AM may receive or pay commission from or to an introducer or intermediary and this may not be passed to the client.	<ul style="list-style-type: none"> • Inducements guidelines available for all Sales staff • Disclosure of commission and fees
39	Dealing and Managing	BNPP AM or its staff may sell products because of incentives not considering suitability or intended audience.	<ul style="list-style-type: none"> • Compliance training for staff
40	Dealing and Managing	BNPP AM may pass client details to third parties or affiliates for profit or gain.	<ul style="list-style-type: none"> • Internal policies • Confidentiality Agreements • Employment contracts cover confidential information • Sharing Confidential Information policy
41	Dealing and Managing	BNPP AM may acquire holdings in companies which are also clients of the group.	<ul style="list-style-type: none"> • Chinese walls arrangements in place
42	Dealing and Managing	BNPP AM favours its own interests to the prejudice of safety and quality of service it owes to its Clients (ex: If BNPP AM were to give a preference to the Group's account keeping/ custodian services provider at the expense of security and quality of service for the Client).	<ul style="list-style-type: none"> • Client interest
43	Dealing and Managing	BNPP AM outsources some of the services provided to the Client (ex: If to reduce management expenses, an entity were to outsource back-office services to a third party at the prejudice of its duties towards its Clients).	<ul style="list-style-type: none"> • Third parties review
44	Employee compensation	An Employee's compensation is directly linked to the revenue from his activity with Clients (Commissions on each sale (retail) that could lead the seller to favour the placement vs. the Client's interest).	<ul style="list-style-type: none"> • HR compensation policy
45	Employee compensation	An Employee's compensation is directly linked to other activities of BNPP AM, which may generate a conflict of interest with the activity he carries out (ex: Employee compensation in investment research is directly linked to revenues of investment banking line of business, as a result of profitable recommendations made to a client and to trading business).	<ul style="list-style-type: none"> • HR compensation policy
46	Employee personal transactions	An Employee trades in financial instruments (and their derivatives) issued by BNPP AM or by a Client (ex: An Employee carries out a proprietary transaction in the shares (and related derivatives) of a Client he has significant professional dealings with).	<ul style="list-style-type: none"> • Control of personal transactions of sensitive employees by Compliance Department
47	Employee personal transactions	Employee as a counterparty of a Client's transaction (ex: An Employee, for his proprietary account, buys (or sells) an asset that is sold (or bought) by a Client with which he has regular business dealings. E.g. an apartment).	<ul style="list-style-type: none"> • Control of personal transactions of sensitive employees by Compliance Department

	SERVICE OR ACTIVITY PROVIDED TO CLIENT	POTENTIAL CONFLICTS IDENTIFIED	METHOD OF MANAGING THE CONFLICT
48	Employee personal transactions	Employee as a follower of Client's transaction (i.e. An Employee copies for his own account a transaction recommended to a Client; an Employee is invited by a Client with which he has regular business dealings to participate in a transaction carried out by the latter).	<ul style="list-style-type: none"> Control of personal transactions of sensitive employees by Compliance Department
49	Employee personal transactions	An Employee carries out personal transactions relating to assets subject to an investment recommendation he issued (ex: An Employee trades for his proprietary account in shares subject to a non issued recommendation).	<ul style="list-style-type: none"> Confidentiality rules Control of personal transactions of sensitive employees by Compliance Department
50	Employee personal transactions	An Employee carries out personal transactions in assets covered by investment advisory services (ex: in shares that are the subject of a corporate finance mandate).	<ul style="list-style-type: none"> Chinese wall arrangements in place between BNPP AM and the rest of the Group entities.
51	Employee personal transactions	An Employee obtains a preferential attribution of financial products and services or opportunities compared with Clients (ex: preferential allocation in an IPO).	<ul style="list-style-type: none"> Personal transactions policy
52	Employee personal interests	An employee has a personal interest, of any kind, that may result in a conflict of interest with BNPP AM, to the detriment of a client's (ex: An employee is Director of a Mutual fund owning assets managed by BNPP AM).	<ul style="list-style-type: none"> Compliance rules
53	Cross BNP Paribas Group Conflict	BNPP AM may act in a manner for its clients which is in contravention of BNP Paribas Group published/unpublished research.	<ul style="list-style-type: none"> "Chinese walls" arrangements in place between BNPP AM and the business lines of the Bank
54	Cross BNP Paribas Group Conflict	BNPP AM may provide incentives to members of its own group rather than external intermediaries impacting market access.	<ul style="list-style-type: none"> Inducements guidance available for all Sales staff Approved Counterparties List Best Execution Policy Disclosure on commissions and fees
55	Cross BNP Paribas Group Conflict	BNPP AM may effect transactions in investments where the price has been or is being stabilised by an affiliate.	<ul style="list-style-type: none"> "Chinese walls" arrangements in place Disclosure
56	Cross BNP Paribas Group Conflict	BNPP AM may have a negative or positive opinion in relation to a company in which it has a relationship in contravention of another part of the group's view.	<ul style="list-style-type: none"> "Chinese walls" arrangements in place BNPP AM does not publish investment research externally
57	Cross BNP Paribas Group Conflict	Another member of the group may be able to view client or market data of BNPP AM and use it to their competitive advantage.	<ul style="list-style-type: none"> "Chinese walls" arrangements in place

	SERVICE OR ACTIVITY PROVIDED TO CLIENT	POTENTIAL CONFLICTS IDENTIFIED	METHOD OF MANAGING THE CONFLICT
58	Employees remuneration	The variable part of the remuneration, if it is based on objectives of performance or of business, can incite the employee to take risks to increase the performance or to achieve commercial goals by selling products or services unsuited to customer's needs.	<ul style="list-style-type: none"> • Complaint marketing literatures as per SEBI requirement on suitability. • Monitor / track complaints from any investor against any sales person and if there are any, the same should be escalated by us to HR, so that if there is any variable remuneration assigned to such employees, the same should be reconsidered. • Track attendance on various training and if any employee has failed to complete training, HR should re-consider the variable remuneration. • Training should clearly emphasize on suitability and ensuring client's needs.