

# Conflict of Interest Policy

## 1. Introduction

**UTO Capital Ltd** (hereinafter referred to as “UTO” or as the “Company”), is a Mauritius Investment Firm licensed and regulated by the Financial Services Commission of Mauritius (hereinafter referred to as the “FSC”) under License Number GB24203195. The Company offers a variety of investment products to Retail, Professional and Eligible Counterparties (hereinafter referred to as the “Client” or as the “Clients”).

## 2. Purpose

The purpose of this policy is to set out the Company’s approach to identifying and managing conflicts of interest which may arise during the course of its business activities. This document sets out the Company’s Conflicts of Interest Policy in a format suitable for distribution to Clients and created in order to be appropriate and in relation to the size and organizational structure of the Company as well as the nature, scale and type of business it undertakes and provides.

A “**conflict of interest**” is a situation where the Company or an Employee, or other associate of the Company, and/or companies of, (including the Company’s Group managers, Employees, or any person directly or indirectly linked to them by control) and their clients or, between one client and another that has competing professional or personal interest, which may prevent services being provided to clients in an independent or impartial manner. The Company is committed to identifying, monitoring and managing all actual and potential conflicts of interest that can and/or may arise between us and our clients and any person directly or indirectly associated with the Company.

The Policy applies to all its directors, Employees, any persons directly or indirectly linked to the Company (hereinafter referred to as the “**Relevant Persons**”) and refers to all interactions with all clients. The Policy is addressed to all Company Clients irrespective of Client Classification/Categorisation. This Policy is not intended to, and does not, create third party rights or duties that would not already exist if the Policy had not been made available, however it does form part of the contractual obligations between the Company and the Client based on the establishment of the business relationship between them. As such, this Policy refers to all interactions with all clients and applies to any of the following Relevant Persons:

- a) A director, partner or equivalent, manager or tied agent (or where applicable, appointed representative) of the Company;
- b) A director, partner or equivalent, or manager of any tied agent (or where applicable, appointed representative) of the Company;

- c) An Employee of the Company or of a tied agent (or where applicable, appointed representative) of the Company;
- d) Any other natural person whose services are placed at the disposal and under the control of the Company or a tied agent (or where applicable, appointed representative) of the Company and who is involved in the provision by the Company of regulated activities;
- e) A natural person who is involved in the provision of services to the Company or its tied agent (or where applicable, appointed representative) under an outsourcing arrangement for the purpose of the provision by the Company of investment services and activities.

The Company and/or other persons connected with the Company may have an interest, relationship or arrangement that is material in relation to any transaction and or service offered affected under the Company's General Terms of Business. Such interests, relationships or arrangements may not necessarily be separately disclosed to our Clients at or prior to the time of the services offered. However, the Company, at a minimum, shall:

- a. identify with reference to the investment and ancillary services carried out by the Company, the circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more Clients;
- b. specify procedures to be followed and measures to be adopted in order to manage such conflicts;
- c. ensure that the procedures and measures taken are 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 Company and to the materiality of the risk of damage to the interests of Clients;
- d. Where, however the Company does not consider that the arrangements under this Policy are sufficient to manage a particular conflict, the Client shall be informed of the nature of the conflict so that he/she can proceed accordingly and make an informed decision.

The affected parties if conflict of interest arises can be the Company, its Employees or its clients. More specifically, a conflict of interest may arise, between the following parties:

- The Client and the Company;
- Two of more Clients of the Company;
- The Company and its Employees/Manager(s);
- One or more Client(s) of the Company and an Employee/Manager of the Company;
- Company's Departments.

In addition, the Company must take all appropriate steps to identify conflicts of interest between itself, including its managers and employees, tied agents or other relevant persons, as well as any person directly or indirectly linked to them by control, and their clients or between one client and another, that

arise in the course of providing any investment and ancillary services, including those caused by the receipt of inducements from third parties or by the Company's own remuneration and other incentive structures.

In this respect, the Company has established adequate policies and procedures sufficient to ensure compliance, including its managers, employees, tied agents and other relevant person(s), with its obligations pursuant to the Law, as well as appropriate rules governing personal transactions by such persons.

### **3. Policy**

All employees of the Company must on commencement of their employment read and fully understand the Policy. Any employee that suspects any conflict of interest must immediately inform the Chief Executive Officer who will determine if any conflict does exist or has the potential to arise and will state the reasoning for their findings in a file kept in storage for referral to the Commission should such need arise.

The process entails the following factors:

- Identification of conflicts of interest situations;
- Management of conflicts of interest situations;
- Disclosure of conflict of interest in cases where such situations identified cannot be mitigated/resolved;
- Retain updated records of identified conflict of interest situations.

In particular, the Company defines a conflict of interest as any situation where either the Company or an individual is in a position to exploit a professional or official capacity in some way for either corporate or personal benefit. For the purposes of identifying the types of conflict of interest that arise in the course of providing investment and ancillary services (or a combination thereof) and whose existence may damage the interests of a client, the Company shall take into account, as a minimum, whether the Company or a relevant person, or a person directly or indirectly linked by control to the Company, is in any of the following situations, whether as a result of providing investment or ancillary services or investment activities or otherwise:

- a) The Company or a relevant person, or a person directly or indirectly linked by control to the Company, is likely to make a financial gain or avoid a financial loss, at the expense of the client.
- b) The Company or a relevant person, or a person directly or indirectly linked by control to the Company, has an interest in the outcome of a service provided to the client, or of the transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome.
- c) The Company or a relevant person, or a person directly or indirectly linked by control to the

Company, has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client.

- d) The Company or a relevant person, or a person directly or indirectly linked by control to the Company, carries on the same business as a client.
- e) The Company or a relevant person, or a person directly or indirectly linked by control to the Company, 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 monetary or non-monetary benefits or services.

'Relevant person' in relation to the Company means any of the following persons:

- a) Member of the board of directors, partner or equivalent, manager or tied agent of the Company;
- b) A member of the board of directors, partner or equivalent, or manager of any tied agent of the Company;
- c) An employee of the Company or of a tied agent of the Company, as well as any other natural person whose services are placed at the disposal and under the control of the Company or a tied agent of the Company who is involved in the provision by the Company of investment services or/ and the performance of investment activities;
- d) A natural person who is directly involved in the provision of services to the Company or to its tied agent under an outsourcing arrangement for the purpose of the provision by the Company of investment services or/and the performance of investment activities.

The affected parties if conflict of interest arises can be the Company, its employees or its clients.

More specifically, a conflict of interest may arise, between the following parties:

- a) Between the client and the Company.
- b) Between two clients of the Company.
- c) Between the Company and its employees.
- d) Between the Company and an employee/manager of the Company.
- e) Between Company's Departments.

Conflicts of interest can occur in a number of situations, for example:

- The Company is likely to sustain an overall financial loss or avoid a financial loss, by executing a client's specific order.
- The Company is likely to sustain an overall financial gain by not executing a client's specific order.
- The market moves to a direction of a point/timing when by executing client's order will result in a financial loss for the Company.

### **Information barriers**

The Company respects the confidentiality of information it receives about its Clients and operates a “Need to Know” approach and complies with all applicable laws in respect of 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 of the Company.

The Company has established and operates internal organisational arrangements to avoid conflicts of interest by controlling, managing or restricting as deemed appropriate the flow of confidential 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 Company and any other part of the Company Group. The Company maintains permanent information barriers between different departments.

### **Policies and procedures**

The Company has developed and implemented policies and procedures throughout its business to prevent or manage potential conflicts of interests. Its employees receive guidance and training in these policies and procedures, and they are subject to monitoring and review processes.

### **Remuneration Policy**

The Company when designing or reviewing its remuneration policies and practices it considers the conduct of business and conflicts of interest risks that may arise and takes reasonable measures to avoid or manage them appropriately and efficiently. The Company’s remuneration policies and practices, inter alia, have been designed in such a way so as not to create incentives that may lead persons to favour their own interests, or the Company’s interests, to the potential detriment of clients. Furthermore, the Company has established, implemented and maintains adequate control mechanisms for compliance with remuneration policies and practices being implemented and maintained by the Company. The same remuneration policies and practices adopted by the Company are applied apart from the staff and to the service providers, Introducing Brokers and to third parties which perform outsourced critical operational functions, when they are acting on behalf of the Company.

### **Separate supervision/functions**

There is a clear distinction between the different departments' operations. Two departments or businesses will be managed by different senior staff members, if running them under supervision of one person, may create conflicts of interest. In this way it is secured that no single person will gather conflicting information, thus counterfeiting or hiding information from investors is minimized. Furthermore, the four-eyes principle in supervising the Company's activities is established.

### **Pay**

Pay and bonuses are linked to the profits of the Company or the business or department where an employee works. Pay and bonuses linked to the performance of another department, with possible conflicting interests, is avoided at all times.

### **Inducements**

The Company 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:
  - i. the fee, commission or benefit is disclosed to a client, prior to the provision of the relevant service; and
  - ii. it is designed to enhance the quality of the relevant service to a client and in line with Company's duty to act in the best interests of a 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 Company's duties to act honestly, fairly and professionally in accordance with the best interests of its clients.

## **4. Personal Transactions of Employees**

All employees of the Company that are involved in activities that the Company is authorised to provide must be aware of the restrictions on personal transactions detailed below. This section also includes personal transactions which may be performed by persons who are employed by companies which perform an outsourced activity to the Company, if any. If any personal transactions are entered into, the Company must be notified promptly.

*For the purpose of this section, a personal transaction shall be a trade in a financial instrument effected by or on behalf of a relevant person, where at least one of the following criteria are met:*

- a) the relevant person is acting outside the scope of the activities he carries out in his professional capacity;

*b) the trade is carried out for the account of any of the following persons:*

- i. The relevant person;
- ii. Any person with whom he has a family relationship, or with whom he has close links;
- iii. A person in respect of whom the relevant person has a direct or indirect material interest in the outcome of the trade, other than obtaining a fee or commission for the execution of the trade.

*Employees of the Company that are involved in the provision of investment services or other activities must not enter into the personal transactions that which will cause the following:*

- Enter into a transaction prohibited under the provisions of the Securities Act 2005,
- Misuse or cause improper disclosure of confidential information,
- Enter in a transaction that is likely to conflict with any obligations of the Company, or the employee, that are stated under the law.

To prevent conflicts arising from the use of information obtained from clients, and market abuse in general, all employees are subject to personal account dealing rules. Employees are prohibited to keep investor accounts in other Investing Firms without Company's prior authorization and are obliged to bring this to Company's attention. They are also obliged to authorize the Company to request transaction reports from other Investment Firms.

Furthermore, the Company requires all employees to have Personal Account trades approved before dealing to ensure that dealing does not occur in securities in circumstances where such dealings should be restricted. Relevant persons are informed on the restrictions on personal transactions and the measures established by the Company in connection with personal transactions and Notification procedures. In addition, the Company has established, implemented and maintains adequate arrangements aimed at preventing the following activities in the case of any relevant person who is involved in activities that may give rise to a conflict of interest, or who has access to inside information or to other confidential information relating to clients or transactions with or for clients by virtue of an activity carried out by him on behalf of the Company:

- a. Entering into a personal transaction which meets at least one of the following criteria:
  - i. That person is prohibited from entering into it under the Securities Act 2005;
  - ii. It involves the misuse or improper disclosure of that confidential information;
- iii. It conflicts or is likely to conflict with an obligation of the Company under the Law.
- b. Advising or procuring, other than in the proper course of his employment or contract for services, any other person to enter into a transaction in financial instruments which, if a personal transaction of the relevant person, would be covered by point (a) above or investment research reports or the misuse of information relating to pending client orders.



- c. Disclosing, other than in the normal course of his employment or contract for services, any information or opinion to any other person if the relevant person knows, or reasonably ought to know, that as a result of that disclosure that other person will or would be likely to take either of the following steps:
  - i. To enter into a transaction in financial instruments which, if a personal transaction of the relevant person, would be covered by point (a) above or investment research reports or the misuse of information relating to pending client orders;
  - ii. To advise or procure another person to enter into such a transaction.

The above arrangements have been designed to ensure that:

1. Each relevant person is aware of the restrictions on personal transactions, and of the measures established by the Company in connection with personal transactions and disclosure.
2. The Company is informed promptly of any personal transaction entered into by a relevant person, either by notification of that transaction or by other internal procedures enabling the Company to identify such transactions. In the case of outsourcing arrangements, the Company always ensures that the firm to which the activity is outsourced maintains a record of personal transactions entered into by any relevant person and provides that information to the Company promptly on request.
3. A record is kept of the personal transaction notified to the Company or identified by it, including any authorisation or prohibition in connection with such a transaction.

### **Employees' Understanding**

All of our employees are made aware of this policy to highlight and emphasize the importance of identifying and managing conflicts of interest. All employees are required to adhere to the Company's Conflict of Interest Policy which requires employees to notify Compliance of all situations whereby an employee becomes aware of conflicting and/or inside dealing information.

Employees are also required to notify Compliance of any situation where information received might constitute conflicting and/or inside information. The Compliance Department will record the circumstances of the situation and take such action as is necessary and appropriate informing also Senior Management of the Company. Employees must never permit their personal interest to conflict with, or to appear to conflict with, the interests of the Company.

When faced with a situation involving a potential conflict of interest, ask yourself whether public disclosure of the matter could embarrass the Company or you, or would lead an outside observer to believe a conflict of interest, including those in which you may have been placed inadvertently due to either business or personal relationship with customers, suppliers, business associates, or competitors of the Company, or with other Company employees. Company's employees are also



subject to rules designed to avoid conflicts of interest with activities they undertake outside the Company.

### **Gifts**

Company's employees will not accept any gifts other than those considered normal in their line of business. Excessive gifts from Clients may result in a conflict of interest, something the Company is committed to avoiding.

### **Declining to act**

The Company may decline to act for a client in cases where it believes the conflict of interest cannot be managed in any other way. Where the employee has come into contact with information which is not publicly available to clients or cannot readily be inferred from information that is so available, the employees must not act or undertake personal transactions or trade in the execution of an unsolicited client order, on behalf of any other person, including the Company.

The employees must not disclose any opinion other than in the normal course of business, if the person who is given the opinion is likely to enter into a transaction which is contrary to the above. The employee also should not provide an advice or provide to anyone any information, other than in the proper course of his/her employment, especially if it is clear that the person who is receiving such information will advise another party who might acquire or dispose of financial instruments to which that information relates.

Any client's orders that have been relayed to any employees of the Company must not be disclosed to another party. An employee of the Company who has knowledge of a potential client's order must not carry out a personal transaction that is the same as the client order, if this causes a conflict of interest. The Company shall keep records of the personal transactions notified to or identified by the Company, including any authorization or prohibition in connection with such transaction.

## **5. Identification of Conflict-of-Interest situations**

While it is not feasible to define precisely or create an exhaustive list of all relevant conflicts of interest situations that may arise, as per the current nature, scale and complexity of the Company's business, the below list includes circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more Clients, as applicable.

When the Company offers Investment Services to the Client, the Company, an associate or some other person connected with the Company, may have an interest, relationship or arrangement that is material in relation to the Transaction concerned or that conflicts with the Client's interest. The Company hereby identifies and discloses a range of circumstances which may give rise to a conflict of interest and potentially but not necessarily be detrimental to the interests of one or more of its Clients. Such a conflict of interest may arise if the Company, or any person directly or indirectly controlled by

the Company or a Client, is likely to make a financial gain, or avoid a financial loss, at the expense of a Client or may have an interest, relationship or arrangement that is material in relation to the transaction concerned or that conflicts with the Client's interest. In general, the Company adheres to a policy that the creation of conflicts of interest must, insofar as is possible, be prevented.

For the purposes of identifying the types of conflict of interest that arise in the course of providing investment and ancillary services or a combination thereof and whose existence may damage the interests of a client, the Company takes into account, whether the Company or a relevant person, is in any of the following situations, whether as a result of providing investment or ancillary services or investment activities or otherwise:

- The company or relevant person is possible to make a financial gain, or avoid financial loss at the expense of the client.
- The company or a relevant person carries the same business with the client.
- Conflict of interest which may arise between the company clients and the company and/or between the clients themselves.
- The Company or relevant person has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client.
- The Company or relevant person 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.
- The Company or relevant person 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 commission or fee for that service.
- Performance – related remuneration of employees and agents.

Based on our business model, experience and day-today services provided to our Clients, the Company has identified the following circumstances (not exhaustive) which may give rise to a conflict of interest:

- a.** the Company may be providing other services to associates or other Clients of the Company who may have interests in Financial Instruments or investments or Underlying Assets, which are in conflict or in competition with the Client's interests;
- b.** the Company's bonus scheme may award its Employees based on the trading volume etc.;
- c.** the Company may receive or pay inducements to or from third parties due to the referral of new Clients or Clients' trading;
- d.** the Company or a Relevant Person has an interest in the outcome of a service provided to the Client, which is distinct from the Client's interest in that outcome;
- e.** the Company or a Relevant Person has a financial or other incentive to favour the interest of another Client or group of Clients over the interests of the Client;

- f. the Company or a Relevant Person carries on the same business as the Client.

For the purposes of identifying the types of conflict of interest that arise in the course of providing investment and ancillary services and/or a combination thereof and whose existence may damage the interests of a client, the Company takes into account, whether the Company or a Relevant Person, is in any of the following situations, whether as a result of providing investment or ancillary services or investment activities or otherwise:

1. The Company or a Relevant Person is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
2. The Company or a Relevant Person 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;
3. The Company or a Relevant Person has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
4. The Company or a Relevant Person carries on the same business as the client;
5. The Company or a Relevant Person 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 commission or fee for that service.

It should be noted that the above circumstances which constitute or may give rise to a conflict of interest, are not conclusive. To be conclusive, the Company explicitly examines and investigates further each of the above circumstances on a case by case basis and undertakes additional due diligence measures in order to have solid evidence that the case in question constitutes indeed a conflict of interest.

## **6. Reporting Conflicts of Interest**

In the case of identification of a possible conflict of interest, a staff member must refer it initially to his immediate supervisor to assist in the assessment of a risk of damage and the supervisor should notify the Compliance Department of the Company together with full details to allow regulatory scrutiny, of:

- Corrective and preventing actions;
- How these actions were considered appropriate;
- Any conditions imposed; and
- Whether there are still ongoing conflicts, how these are being managed and advised to the client.

## **7. Management of Conflicts of Interest**

The Company maintains and operates effective organizational and administrative procedures to identify and manage conflicts of interest. Should a Conflict of Interest arise, it is managed promptly and fairly. The Company has in place arrangements to ensure that:

- There is a clear distinction between the different departments' operations;
- No single person will gather conflicting information, thus counterfeiting or hiding information from investors is minimized;
- The Company's employees are prohibited from investing in securities for which they have access to non-public or confidential information;
- The simultaneous or sequential involvement of a relevant person in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest is prevented or controlled;
- There is separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services to, clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the Company;
- There is no direct link between the remuneration of relevant persons principally engaged in one activity and the remuneration of, or revenues generated by, different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities;
- The security features of the Company's software prevent unauthorized access to sensitive information in order to benefit the Company over its clients or one client over another;
- Relevant persons are prohibited to purchase or sell a security or cause the purchase or sale of a security for any account while in possession of inside information relating to that security;
- Relevant persons are prohibited to recommend or solicit the purchase or sale of any security while in possession of inside information relating to that security;
- Relevant persons are prohibited to purchase or sell or cause the purchase or sale of a security for an employee or employee- related account or a proprietary account of the Company or an account over which an employee exercises investment discretion, while in possession of proprietary information concerning a contemplated block transaction in the security or for a customer account when such customer has been provided such information by any relevant person;
- Transactions by the company's employees are neither performed nor executed by themselves, but by another member of staff of the company;
- Employees sign a confidentiality agreement. No associated person may disclose inside information to others, except disclosures made in accordance with the Company's policies and procedures, to other Company personnel or persons outside the Company who have a valid business reason for receiving such information;
- There are effective procedures in place to prevent or control the exchange of information (flow of information) between relevant persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients;
- Establishment of in-house Compliance function to monitor and report sources that may entail conflict of interest to the Board of Directors of the Company;
- Appointment of Internal Auditor to ensure that appropriate systems and controls are maintained and report to the Company's Board of Directors;

- Establishment of the four-eyes principle in supervising the Company's activities;
- Any person will be prevented from exercising inappropriate influence over the way in which a relevant person carries out investment or ancillary services or activities;
- Relevant information is recorded promptly in a secure environment to enable identification and management of Conflicts of Interests;
- Adequate records are maintained of the services and activities of the Company where a Conflict of Interest has been identified;
- Where necessary, Relevant Persons are subject to personal account transaction rules;
- In certain jurisdictions appropriate disclosure may be made to the Client in a clear, fair and not misleading manner to enable the Client to make an informed decision;
- There is a periodic review of the adequacy of the Company's systems and controls.

**a. Independence**

1. The following measures have been adopted by the Company for ensuring the requisite degree of independence:
  - a) Measures to prevent or control the exchange of information between relevant persons engaged in activities involving a risk of a conflict of interest (i.e., by establishing a Chinese Wall)
  - b) Separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services to, clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the Company. The Company's department whose interests may conflict with clients is the Dealing Room Department and/ or the Marketing Department.
  - c) *Removal of any direct link between the remuneration of relevant persons principally engaged with one activity and the remuneration of, or revenues generated by, different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities:*
    - i. Dealing Room Department employees do not relate their remuneration with clients' performance.
    - ii. Marketing Department.
  - d) Measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out and/or promotes investment or ancillary services or activities. Additionally, the person who decides or influences an individual's bonus may exert undue influence over that individual's integrity of judgment.
  - e) Measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate investment or ancillary services or activities such as reception and transmission of clients' orders and tasks such as portfolio decision making and calculating performance, where such involvement may impair the proper management of conflicts of interest.

## 2. Chinese Walls

Chinese walls are information barriers which are used to prevent inside or highly confidential information possessed by one part of the business from being inappropriately passed to, or obtained by, another part of the business. When a Chinese wall is used as a way of managing conflicts of interests, individuals on the other side of the wall will not be regarded as being in possession of knowledge denied to them as a result of the Chinese wall. For example, where arrangements have been put in place to ensure that entities belonging to the same group operate independently of each other with effective Chinese walls, the entities shall not be deemed to have knowledge of each other for conflicts of interest purposes.

### **b. Disclosure of conflict of interest**

When the measures taken by the Company to manage conflicts of interest are not sufficient to ensure, with reasonable confidence that risks of damage to clients' interest will be prevented, the Company proceeds with the disclosure of conflicts of interest to the client. Prior to carry out a transaction or provide an investment or an ancillary service to a client, the Company must disclose any actual or potential conflict of interest to the client. The disclosure will be made in sufficient time and in a durable mean and shall include sufficient detail, considering the nature of the client, to enable him to take an informed decision with respect to the investment or ancillary service in the context of which the conflict of interest arises.

### **Express Client's Consent**

By entering into a Client Agreement with the Company for the provision of investment services, the client is consenting and accepting the application of this Policy as this may be amended and/or updated from time to time. Further, the Client consents to and authorizes the Company to deal with the Client in any manner which the Company considers appropriate, notwithstanding any conflict of interest and/or the existence of any material interest in the investment services and/or activities provided, without prior reference to the Client. In the event that the Company is unable to deal with a conflict of interest situation it shall revert to the Client.

### **Disclosure of Information**

If in the course of a business relationship with a client the organisational or administrative arrangements/measures in place are not sufficient to avoid or manage a conflict of interest, before the Company provides any services, The Company shall disclose to the Client or potential Client the general nature and any conflicts of interest potentially present. This shall be made in a durable medium and include sufficient detail, taking into account the nature and profile of the Client, to enable the Client to take an informed decision with respect to the investment or ancillary service in the context of which the conflict of interest arises. The Compliance Officer shall have the responsibility to oversee

such communication. Following such communication, the consent of the Client shall be obtained and recorded before proceeding with the provision of the services.

### **Potential Sources of Conflicts of Interest**

Taking into consideration the services the Company offers, potential Conflict of Interest circumstances may include, but are not limited to:

- Reception and transmission of orders;
- Execution of orders;
- Safekeeping and administration of financial instruments for the account of clients, including custodianship and related services such as cash/collateral management.
- The Company or Relevant Person receives substantial gifts or entertainment (including non-monetary inducements) that may influence behaviour in a way that conflicts with the interest of the Client of the Company;
- A transaction is affected in financial instruments in respect of which the Company may benefit from a commission, fee, mark-up or mark-down payable otherwise than by a client, and/or Company may also be remunerated by the counterparty to any such transaction;
- A director or employee of the Company is a director of a fund and/or any company being a client of the Company;
- A transaction is affected in financial instruments issued by an affiliated company or the client or customer of an affiliated company
- The Company may act as agent for a client in relation to transactions in which it is also acting as agent for the account of other customers and/or Group companies;
- The Company acting as agent for the Client, matches an order of the Client with an order of another customer for whom it is acting as agent;
- A transaction is affected in securities issued by an affiliated Company or the client or customer of an affiliated Company;
- Introducing agents may have other interests than the Company and/or their clients;
- White Label Partners may have other interests than the Company and/or their clients;
- Representatives/ Introducing agents of the Company may be aware of large client orders to acquire or dispose of a large quantity of a particular financial instrument and either the Company or its representatives/Introducing agents purchase (or sell) the financial instrument beforehand.

The Company should analyse potential conflicts of interests each time a financial instrument is manufactured. In particular, the Company shall assess whether the financial instrument creates a situation where end clients may be adversely affected if they take:

- a. an exposure opposite to the one previously held by the Company itself; or
- b. An exposure opposite to the one that the Company wants to hold after the sale of the



product. The Company may use technology or software, such as bridges and plugins that process client orders using pre-defined and/or configurable rules and settings that allow the Company to define under which conditions a client order can be confirmed and even what will be the Company's possible profit from it.

- c. The Company shall monitor asymmetric slippage. The Company in relation to its execution arrangements should include a record of all time stamps, from order reception, intra-trade benchmark shifts, hedging of the trade and client execution.

Clients will be given the opportunity to decide on whether or not to continue their relationship with us with no unreasonable obstacles.

The Company shall ensure that disclosure to clients pursuant to this section is a measure of last resort that shall be used only where the effective arrangements established by the Company to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the client will be prevented.

*The disclosure shall:*

- a) clearly state that the organizational and administrative arrangements established by the Company to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the client will be prevented;
- b) include specific description of the conflicts of interest that arise in the provision of investment and/or ancillary services, considering the nature of the client to whom the disclosure is being made. The description shall explain in sufficient detail to enable that client to take an informed decision with respect to the investment or ancillary service in the context of which the conflicts of interest arise:
  - i. the general nature and sources of conflicts of interest;
  - ii. the risks to the client that arise as a result of the conflicts of interest; and
  - iii. the steps undertaken to mitigate these risks.

**d. Record Keeping**

The Company keeps and regularly updates a record of the kinds of investment and ancillary service or investment activity carried out by or on behalf of the Company in which a conflict of interest entailing a risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service or activity, may arise. The following documentation shall be maintained for a minimum period of five (5) years:

- This Policy, any functional variations if applicable;
- The Conflicts Log and the Conflicts Identification and Management Map;

- Rules, procedures and processes;
- Training material and training records;
- Conflicts of Interest Notification Forms;
- Details of any review work carried out (including any decisions made on conflicts management); and
- Any other documentation used to demonstrate the management of conflicts of interest.

Senior management shall receive on a frequent basis, and at least annually, written reports on situations referred to in this section. Further, the Company takes all the necessary actions to resolve conflicts of interest identified, including, but not limited to, the management and mitigation of the conflict(s) identified in such a way (i) as to prevent the conflict of interest arising in the future; (ii) as to ensure the interests of the Client, or the Company or the Company's Employee are not permitted to disadvantage or lead to a loss for the Client's and/or the Company's interests; and further (iii) communicate and notify the conflict of interest to the Client(s) in writing so that the Client(s) may decide upon a satisfactory course of action and make an informed decision about whether or not he/she wishes to proceed prior to engaging to a business relationship with the Company (new Client) and/or proceed with further services provided by the Company (existing Client).

Board Members and employees will disclose conflicts or potential conflicts on a Conflict of Interest Disclosure Form provided by the Company (set out in **Appendix A**). This form should be reviewed and/or updated at least once annually. Employees will disclose to the Ethics Officer a conflict, or potential conflict of interest as soon as they arise but no later than one (1) working day. Employees must disclose any conflicts of interest regarding their position within the Company and record the potential conflict in the Register of Conflict of Interest as soon as practicable. The Register of Conflict of Interest is provided at **Appendix B**.

A conflict-of-interest register maintained by the Compliance Department shall detail all conflicts of interest including:

- i. all conflicts of interest notification;
- ii. any reported cases of failure to disclose;
- iii. disclosure by others, such as colleagues or clients;
- iv. assessment of the matter and how it was considered;
- v. any action taken; and
- vi. any reviews of the assessment process.

Finally, the Compliance Department maintains a Conflicts of Interest Register of all circumstances in which a conflict of interest has been identified and/or arisen, containing the measures taken to mitigate or manage the conflict of interest identified and/or arisen, a description of the circumstances which

constituted or may have constituted a conflict of interest, names of the persons involved, the name of the person responsible for the mitigation of the conflict, a description of the steps taken in order to mitigate the conflict - including client disclosures and subsequent resolutions. The Conflicts of Interest Register is updated any time a conflict of interest has been identified and/or arisen or may have arisen and is kept for the durations of the business relationship with the Client and for a minimum of five years after the conclusion of such business relationship.

**e. Responsibilities**

The Company's *Chief Executive Officer* is responsible for clearly allocating responsibility and delegating authority to accountable individuals to ensure that those involved are aware of their involvement and that the Conflict Officer has a sufficient level of authority and independence in order to carry out their responsibilities effectively.

The Company's Senior Management is required to:

- fully engage in the implementation of policies, procedures and arrangements for the identification, management and ongoing monitoring of conflicts of interest;
- adopt a holistic view to ensure the identification of potential and emerging conflicts within and across business lines;
- raise awareness and ensure compliance of relevant individuals by ensuring: regular training (including to contractors and third-party service providers' staff) both at induction and in the form of refresher training; the clear communication of policies, procedures and expectations; that awareness of conflicts procedures forms part of the performance review/ appraisal process, and that the best practice is shared throughout the Company;
- sponsor robust systems and controls and effective regular reviews to ensure that strategies and controls used to manage and mitigate risks remain appropriate and effective and that appropriate warnings and disclosures are issued to clients where necessary;
- utilize management information to remain sufficiently up-to-date and informed; and
- support an independent review of the processes and procedures in place.

Individuals are required to identify new conflicts of interest arising out of the activities/services that they perform and engage in the process to notify line management upon identifying any potential conflict.

The Company's *Conflicts Officer* is the Head of Compliance who is responsible for the day to day management of the implementation of this policy. In particular, he, or his delegate, is responsible for:

- establishing the policy in relation to conflicts of interest;

- providing training oversight and aid;
- monitoring compliance with arrangements;
- the oversight of conflicts management;
- maintaining records in relation to conflicts of interest;
- reviewing and challenging the Conflicts Identification and Management Map; and
- providing appropriate internal reporting to the Board of Directors.

## **8. Conflicts Deadlock**

Where line management cannot resolve a conflict to the satisfaction of all parties, the Compliance Head will, as the Approved Person with responsibility for Compliance and Risk, have the final say.

## **9. Review of the Policy**

The Company reserves the right to amend its policies at any time by making them public on its official website. Policies shall be reviewed/amended annually and/or as and when it is deemed necessary by Regulatory Authorities and the Compliance Officer and further approved by the Board of Directors. Should the Company materially change this Policy, including how it collects, processes, or uses clients' personal information, the revised Policy will be uploaded on the Company's official website. In such a case, the latest version of the policy published on the official website of the Company shall prevail. As such, Clients hereby consent, agree and accept that, posting of a revised Policy electronically on the Company's official website forms the actual notice of the Company to its Clients. Any dispute over the Company's Conflicts of Interest Policy is subject to this notice and the Client Agreement. Please contact us at [support@utocapital.com](mailto:support@utocapital.com) should you require additional clarification and/or further information, inquiries and/or questions.

## APPENDIX A - CONFLICT OF INTEREST DISCLOSURE FORM

<b>NAME:</b>	
<b>COMPANY:</b>	
<b>POSITION HELD:</b>	
<b>DATE:</b>	

Please describe below any relationships, transactions, positions you hold or circumstances that you believe could contribute to a conflict of interest between the Company and your personal interests, financial or otherwise:

I, ..... have no conflict of interest to report.

I, ..... have the following conflict of interests to  
report (Please specify any profit/non profit Boards you and/or your dependents) sit on.)

1. ....

2. ....

I hereby certify that the above information is true and complete to the best of my knowledge. I have read and agree to abide by, the Conflict-of-Interest Policy of the Company.

Signature: ..... Date: .....

APPENDIX B – CONFLICT OF INTEREST REGISTER

CONFLICRT OF INTEREST REGISTER							
Name	Date	Description of interest	Type of interest	Dates involved	Actions Taken	Authorised by	Status (Open/Closed)