



DUALIX

CONFLICTS OF INTEREST POLICY

Dualix is owned and operated by Maxigrid Limited

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Maxigrid Ltd is a Cyprus Investment Firm, regulated by Cyprus Securities and Exchange Commission (CySEC)
License Number: 145/11 and Registration Number: HE 269879
Registered Office Address: 214 Arch. Makariou III, Ideal Building, Office 301, Ayia Zoni, 3030, Limassol, Cyprus

1. Purpose

The purpose of this Policy is to specify the procedures put in place by Maxigrid Limited (hereinafter the “Company”) in identifying and managing the circumstances which may give rise to conflicts of interest during its normal business activities. The policy also identifies the possible types of conflict of interest that arise when the Company offers its investment and ancillary services and circumstances where the Company cannot ensure that their existence may result in damaging clients’ interest. The Policy implemented and maintained is appropriate to the size and organisation of the Company and the nature, scale and complexity of its business.

The Company is obliged under Applicable Regulation, including but not limited to, Law 87(I)/2017, to take all reasonable steps to identify conflicts of interest between itself, including the activities undertaken by the Company’s directors, managers and employees, affiliates and any other persons directly or indirectly linked by control to the Company (hereinafter “Related Persons”), that arise in the course of providing any investment and ancillary services. The Company shall ensure that has taken all necessary steps to detect and manage the conflict of interest in order to ensure that its clients’ interests are protected.

The conflicts of interest policy includes the following:

- a) Identify, with reference to the specific investment and ancillary services and activities carried out by, or on behalf of, the Company, the circumstances which constitute or may give rise to a conflict of interest entailing all potential risks 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 and such conflicts

2. Identification of Conflicts of Interest

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. Situations where conflicts of interest can occur include the following:

- 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 the 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 money, goods or services, other than the standard commission or fee for that service.

- f) The Company may be matching the Client's Order with that of another Client by acting on such other Client's behalf as well as on the Client's behalf. (c) The Company may receive or pay inducements to or from third parties due to the referral of new Clients or Clients' trading.
- g) The possible use or dissemination of confidential information derived from the Reception & Transmission, Execution, Dealing on Own Account, Investment Advice or Portfolio Management departments or other business units of the Company (e.g. front running).
- h) The direct or indirect investing or management carried out by any relevant person or the Company to Clients or accounts which invest in the same assets that may be also purchased or sold by other Clients.
- i) The Company may be the counterparty to its Clients positions (i.e. act as Principal) and therefore stands to profit if the Client loses.
- j) Orders generated for Clients by the Portfolio Management Department may be executed through the Dealing on Own Account Department.
- k) The Company trades its proprietary positions and at the same time has knowledge of Client's future transactions via stop limit orders, as applicable.
- l) The remuneration scheme of employees/relevant persons which may be based on the Clients' trading volumes or value of trades placed by retail clients.
- m) The remuneration of third parties where the interest of a Client conflicts with the interest of the third party.
- n) The persons producing investment research/marketing communication and other relevant persons, whose responsibilities to business interest may conflict with the interests of the persons to whom the investment research/marketing communication is disseminated.
- o) The Company is likely to sustain an overall financial loss or avoid a financial loss, by executing the Client's specific order.
- p) The Company is likely to sustain an overall financial gain by not executing the Client's specific order.
- q) 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.
- r) With regards to share trading, one of the potential conflicts could be inappropriate criteria in the selection of external custodians/depositories, if any. However, The Company will ensure extensive and enhanced due diligence in the selection of any custodians. Depositories to manage any possible relevant conflicts.
- s) The Company may face insider dealing and market manipulation risks and in order to mitigate the aforesaid, access to confidential information will be restricted to those who have proper requirement. Also, employees may trade assets in other Investing Firms subject to Company's prior authorization. The Company may request transaction reports from the aforesaid Investment Firm at its discretion.

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 Client of the Company and an employee/manager of the Company.
- e. Between Company's Departments.

3. Personal Transactions of Employees

All employees of the Company that are involved in the investment 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 prohibited personal transactions are entered, the Company must be notified promptly. 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 section 9 of the Insider Dealing and Market Manipulation (Market Abuse) Law,
- 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.

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 will cause a conflict of interest.

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 material risk of damage and send a completed Conflict of Interest Notification Form together with full details to allow regulatory scrutiny, of:

- corrective and preventive 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; to the Conflicts Officer and the Head of Compliance, or his/her designee, for inclusion within the reports reviewed by the Board of Directors.

4. Management of Conflicts of Interest

The Company has in place effective organisational procedures and control in order to manage and prevent any conflict of interest, including the following non-exhaustive list:

- a) The Company has in place an Internal Operation Manual (IOM) which consists the Company's internal policies, measures, procedures and controls created with the interests of the Company's Clients in mind. The IOM is monitored on an ongoing basis and reviewed to ensure its appropriateness and accuracy;
- b) Establishment of an in-house Compliance Function whose responsibilities include the monitoring and reporting possible conflict of interest to the Board of Directors.
- c) Chinese Walls: Chinese walls are essentially 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.

When the Company establishes and maintains a Chinese wall it may:

- a) withhold or not use the information held; and
- b) for that purpose, permit persons employed in the first part of its business to withhold the information held from those employed in that other part of the business; but only to the extent that the business of one of those parts involves the carrying on of regulated activities or ancillary activities.

Information may also be withheld or not used by the firm when this is required by an established arrangement maintained between different parts of the business (of any kind) in the same group. This provision does not affect any requirement to transmit or use information that may arise apart from the rules in COBS.

For the purpose of this rule, "maintains" includes taking reasonable steps to ensure that the arrangements remain effective and are adequately monitored and must be interpreted accordingly.

d) Independence

The following measures have been adopted by the Company for ensuring the requisite degree of independence:

- 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):
- 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.
- 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.
- Measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out 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.
- 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.

Where the Company is unable to ensure the complete segregation of duties due to its limited employee base, it has adequate compensating controls in place including the frequent review of an area by relevant senior managers and controls functions.

In case the adoption or the practice of one or more of the above measures and procedures does not ensure the requisite degree of independence, the Company is required to adopt such alternative or additional measures and procedures as are necessary and appropriate for those purposes.

e) 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 carrying out a transaction or providing an investment or an ancillary service to the 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, taking into account 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. Clients will be given the opportunity to decide on whether or not to continue their relationship with the Company with no unreasonable obstacles.

When the disclosure shall be made: When the organizational or administrative arrangements made by the Company to prevent conflicts of interest from adversely affecting the interests of its client are not sufficient to ensure, with *reasonable confidence*, that risks of damage to client interests will be prevented. The disclosure is a measure of last resort, to be used only in the aforementioned occasion. Over-reliance on this disclosure shall be considered a deficiency in the Company's conflicts of interest policy.

How the disclosure shall be made: The disclosure shall be made in a durable medium, which also includes the provision of the disclosure through the Company's website.

What information shall be included in the disclosure: The disclosure includes sufficient detail, taking into account the nature of the client, to enable that client to take an informed decision with respect to the service in the context of which the conflict of interest arises. This will be met when the disclosure includes at least the following:

- i. A specific description of the conflict of interest under question, taking into account the nature of the client to whom the disclosure is made. This clause shall not be seen as excluding the possibility of communicating the disclosure in the means of a durable medium to retail as well as to non-retail clients;
- ii. Detailed explanation of the nature and/or sources of conflicts of interests, as well as the risks to the client that arise as a result of the conflict and the steps taken to mitigate these risks; and
- iii. Clear statement 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 risk of damage to the interests of the client will be prevented.

Declining to Act: If the Company determines that it is unable to manage a conflict of interest using one of the methods described above, the Company declines to act on behalf of the client concerned.

f) 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 material 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 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.

g) Procedures

The Compliance Officer is responsible for maintaining the conflicts of interest policy. In this respect, the Compliance Officer ensures that all the Company's personnel is aware of the Company's conflicts of interest policy and can clearly identify circumstances that may give rise to conflicts of interest. The Compliance Officer is responsible to regularly review and update the policy.

In case any employee comes across with a situation that may give rise to a conflict of interest, the employee shall immediately report this to the Compliance Officer. The Compliance Officer determines, in consultation with the senior management, if a conflict of interest is present and take the necessary action to resolve it.

h) Responsibilities

The Company's Board of Directors 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 and to ensure that informed judgements are made with respect to materiality;
- 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 Compliance Office 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.
- However, in the event of conflicts arise; their reporting shall be addressed to the Head of Compliance.

5. Client's Consent & Disclosure of Information

By entering into a business relationship and accepting the Company's Terms and Conditions, the Client accept the Conflicts of Interest Policy and the information contained within. If during the course of business with the client, the Company's measures and arrangements in place are not sufficient to manage the conflict, the Company may choose in its absolute discretion not to proceed with the transaction or matter giving rise to the conflict.

6. Availability and Updates

The Company reserves the rights to review this Policy whenever it deems appropriate. More information and/or questions regarding Conflict of interest can be provided upon request to compliance@dualix.maxigrid.com.