SUN CAPITAL MARKETS LTD

CONFLICTS OF INTEREST POLICY

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AMBITION MEETS EXECUTION

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1. ABOUT SUN CAPITAL MARKETS LTD

Sun Capital Markets Ltd is a Company incorporated and registered under the laws of Seychelles with Company number 8431497-1. The Company is licensed and regulated as a securities dealer by the Financial Services Authority under license number SD145.

2. APPLICABLE REGULATORY FRAMEWORK AND PURPOSE OF THIS POLICY

The formulation and adoption of this Policy is required under the Financial Consumer Protection Act of 2022. The FCPA 2022 came into force with the aim of strengthening consumer protection and confidence when accessing financial services and products in Seychelles.

The purpose of this Conflicts of Interest Policy (the "Policy") is to outline a suitable approach and response to the identification and management of conflicts of interest. Specifically, through this policy the Company's board should ensure that there is no collusion or unfair practices in terms of arrangements.

3. SCOPE AND APPLICABILITY OF THIS POLICY

The Company will take all reasonable steps to identify conflicts of interest between itself, including its managers, employees or any person directly or indirectly linked to the Company by control and its clients or between one client and another that arise in the course of providing the Company's services.

The Company maintains and operates effective organizational and administrative arrangements to prevent and manage conflicts of interest that may arise during the provision of any services, from adversely affecting the interests of its clients. In case where, the aforementioned arrangements are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the clients will be prevented, the Company shall clearly proceed with the disclosure of such conflict. The said disclosure shall be done in a durable medium indicating the general nature and source of conflicts of interest, the risks to the client with sufficient details so as to allow the client to take an informed decision with the regards to its investment as well as the steps taken to mitigate such risks.

The Company has the right to amend the current Policy at its discretion and at any time it considers is suitable and appropriate. The Company shall review and amend the current policy at least on an annual basis to take account of changes to operations or practices and, further, to make sure it remains appropriate to any changes in law, technology and the general business environment. In case of any amendment, the Company shall notify the Financial Services Authority prior to any changes made within the Policy.

4. IDENTIFICATION OF POTENTIAL CONFLICTS OF INTEREST

To adequately manage conflicts of interest, the Company shall identify all relevant conflicts timeously. The Company will employ different mechanisms to ensure that all conflicts are identified.

The Company shall identify all conflicts of interest, their severity and document controls to mitigate the conflicts. It is not possible to list all situations which could constitute a conflict. The facts of each situation will determine whether the interest in question is such as to bring it within the area of potential conflict.

All employees, including management, will be responsible for identifying specific instances of conflict and required to notify the Compliance function of any conflicts they become aware of. The Compliance Officer (CO) will assess the implications of the conflict and how the conflict should be managed in conjunction

with the board. In the case where a specific incident to be reported concerns the CO, the notification shall be made to the Company's Representative Officer.

For the purposes of identifying the types of conflicts of interest that arise in the course of providing services and whose existence may damage the interests of a client, the Company takes into account, by way of minimum criteria, the question of 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 services or activities:

- The Company or a relevant person is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- 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;
- 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;
- The Company or a relevant person carries on the same business as the client;
- 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;

For the purpose of this Policy, a "relevant person", in relation to the Company means any of the following:

- a director, partner or equivalent, manager, or agent of the Company;
- a director, partner or equivalent, or manager of any agent of the Company;
- an employee of the Company or of an 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 an agent of the Company and who is involved in the provision by the Company of services and activities;
- a natural person who is directly involved in the provision of services to the Company or agent under an outsourcing arrangement for the purpose of the provision by the Company of services and activities.

5. MANAGING CONFLICTS OF INTEREST

The Company has established suitable and adequate internal procedures for minimising any potential conflicts of interest. The Company maintains a compliance department that is an independent unit within the Company. Among the duties of the CO is to monitor any possible deviation from the Company's internal policies and procedures as well as identifying and managing any possible conflicts of interest. Once a conflict has been identified it needs to be appropriately and adequately managed. The Compliance function will assess each conflict and determine if the conflict is actual or perceived and what the value of the conflict or exposure is and the potential reputational risk. Compliance will then decide whether it is viable to go ahead with the transaction or if the conflict is too severe. If Compliance decides that the particular conflict can be mitigated, then controls to manage the conflict should be put in place and documented.

The Company will manage conflicts of interest fairly, between itself and its clients, between itself and its employees and between its customers and to organise and control their internal affairs responsibly and effectively.

The Company and its employees should act as per the principle of placing clients' interests before self-interests and Company's interests in order to avoid conflicts of interest in the fulfilment of professional activities on the securities market. To ensure client's fair treatment, the Company will introduce the following procedures:

- The Company shall avoid any conflict of interest with clients and, where such a conflict unavoidably arises, ensure fair treatment to the client by complete disclosure or by declining to act.
- Employees are also prohibited to keep investor accounts in other Brokers without Company's prior authorization and are obliged to bring this to Company's attention. They are also obliged to authorize the Company to directly request transaction reports from the other Brokers.
- If the Company has a material interest in a transaction to be entered into with or for a client, or a relationship which gives rise to a conflict of interest in relation to the transaction, the Company shall not knowingly either advise, or deal in the exercise of discretion, in relation to that transaction. The only exception is when the Company has fairly disclosed that material interest or relationship, as the case may be, to the client or the client has taken reasonable steps to ensure that neither the material interest nor relationship adversely affect the interests of the client.
- There is a clear distinction between the different departments' operations as these are described in the Company's IOM.
- The Company shall be informed promptly of any personal transaction entered into by a relevant person, either by notification of that transaction or by other procedures enabling the Company to identify such transactions. In the case of outsourcing arrangements, the Company shall ensure that the Company 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.
- A person shall be replaced by another person in his/her duties only prior consent of the CO and approval by the Representative Officer. Such a consent will be given by the CO after all issues of possible conflict of interest have been reviewed.
- The security features of the Company's software prevents unauthorized access to sensitive information in order to benefit the Company over its clients or one client over another.
- The Company's employees are prohibited from investing in securities for which they have access to non-public or confidential information.
- Transactions by the Company's employees are neither performed nor executed by themselves, but by another member of staff of the Company concerning account opened with the Company.
- A record shall be kept of the personal transaction notified to the Company or identified by it, including any authorisation or prohibition in connection with such a transaction.
- The Company must take reasonable steps to ensure that neither it nor any of its employees or agents either offers or gives, or solicits or accepts, any inducement that is likely to conflict with any duties owed to its clients.
- No employee shall either knowingly or recklessly make a statement, promise or forecast that is misleading, false or deceptive to any customer or conceal material facts at any time.

More specifically, the Company states some of the policies and procedures that it has implemented for managing possible conflicts of interest below:

- Effective procedures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out services or activities.
- The 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.
- Measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate services or activities where such involvement may impair the proper management of the conflicts of interest.
- The removal of any 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.
- Measures to prevent or control the exchange 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.

The procedures followed and measures adopted in the Policy include the following, as are necessary and appropriate for the Company to ensure the requisite degree of independence:

- No relevant person may 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.
- No relevant person may recommend or solicit the purchase or sale of any security while in possession of inside information relating to that security.
- No relevant person may 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.
- Procedures set for regular review and monitoring of the execution arrangements with the execution venue, hedging/ liquidity or price providers as well as on a continuous basis.
- Procedures in regards to the monitoring of access to electronic data.
- Relevant persons engaged in research activities should not discuss unreleased information, opinions, recommendations, or research analysis in progress with Company associated persons engaged in sales activities, or any person within or outside the Company who does not have a valid business need to know the information.
- Establishment of an ongoing monitoring program based on which regular checks are conducted for the assessment of the Company's procedures, policies and internal controls.
- The Company may distribute marketing communication to its clients, only if the said communication is reviewed and approved by the CO prior to distribution. The CO also ensures that such communication have the appropriate disclosure statement as well as meeting the relevant definition of marketing communication.
- The four-eye principle is implemented to avoid any abuse of position.

- In order to minimize the relevant person's own transactions personal account dealing restrictions are in place.

The Company is committed to having an effective and appropriate compliance culture to enable it to deal with any new potential conflicts of interest which may arise in the future. The Company's employees are therefore required to monitor any new circumstances giving rise to potential conflicts of interest and to implement appropriate measures to address these.

For the purpose of this Policy, a "personal transaction" is considered 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:

- the relevant person is acting outside the scope of the activities he carries out in his professional capacity;
- the trade is carried out for the account of any of the following persons:
    - the relevant person;
    - any person with whom he has a family relationship, or with whom he has close links;
    - 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.

Segregation of Company's assets from clients' assets

The Company shall maintain separate accounting records between its own assets and those of its clients to facilitate the protection of clients' assets and the prevention of the use of customer assets by the Company or by other third parties so as to minimise the risk of the loss or diminution of client assets, or of rights in connection with those assets, as a result of misuse of the assets, fraud, poor administration, inadequate record-keeping or negligence. In addition, the Company has legally secure segregation of clients' assets from the Company's assets in case the Company becomes bankrupt. For this purpose, the Company maintains separate books and accounting records for each client.

Forbidden Business Practices

The Company shall prohibit those business practices which in the regular course of events might give rise to conflicts of interest. The following business practices shall indicatively be forbidden:

- The provision to clients of services for the purpose of influencing the price of financial instruments for the benefit of the Company or for the benefit of any relevant persons, or of Company's clients in general, especially with regard to transactions that the Company or relevant persons intend to carry out prior to or after the provision of the service.
- The use by the Company or by its relevant persons of information regarding client transactions, for the benefit of the Company, and the disclosure of such information to third parties.
- Dealing by the Company itself or by any relevant persons in financial instruments in respect of which the Company has drawn analysis reports or has made research findings prior to the publication of the respective reports and findings.
- The preferential treatment of relevant persons to the detriment of its clients in the course of the provision to them of services.

- The carrying out of transactions by relevant persons for their own account or for the account of persons related with them on the basis of confidential information that the above persons have obtained in the course of their employment with the Company.

All employees must be aware of the above forbidden business practices, and shall have the responsibility of informing the CO immediately in case they monitor any violation of the above provisions. Should you have any questions in relation to the Company's Conflicts of Interest Policy, please contact the Compliance department of the Company.

6. DISCLOSURE OF CONFLICTS OF INTEREST

In case where, the organisational and administrative arrangements established by the Company to prevent or manage a conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the clients will be prevented, the Company shall clearly proceed with the disclosure of such conflict.

Prior to carry out a transaction or provide a service to a client, the Company should disclose any actual or potential conflict of interest to the client provided that the measures taken by the Company are not sufficient to ensure that the risks of damage to the interests of the client will be avoided.

The above disclosure shall include sufficient detail, taking into account the nature of the client, source of conflicts of interest, the risks to the client to enable him to take an informed decision with respect to the service in the context of which the conflict of interest arises. The Company reserves the right not to proceed with the transaction or matter giving rise to the conflict if such disclosure is not sufficient to manage a conflict.

The Management and employees of the Company should disclose the following information to the CO:

- Opening and closing personal accounts at any other Broker for own investments purposes
- All personal transaction performed. Notification should be provided within 24 hours
- Securities held by the employee
- Transactions executed by the Company in which the employee may have an interest or a conflict