



Alchemy Markets Limited

Conflict of Interest Policy

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1 Abbreviations

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| Act: | Investment Services Act |
| Company: | Alchemy Markets Ltd |
| MFSA: | Malta Financial Services Authority |
| Policy: | Conflicts of Interest Policy |
| | a) A director, partner or equivalent, manager or tied agent of the firm; |
| | b) A director, partner or equivalent, or manager of any tied agent of the firm; |
| | c) An employee of the firm or of a tied agent of the firm, as well as any other natural person whose services are placed at the disposal and under the control of the firm or a tied agent of the firm and who is involved in the provision by the firm of investment services and activities; |
| | d) A natural person who is directly involved in the provision of services to the investment firm or to its tied agent under an outsourcing arrangement for the purpose of the provision by the firm of investment services and activities; |
| Rulebook: | Conduct of Business Rulebook |
| Rules: | Investment Services Rules for Investment Services Providers, Part BI: Rules Applicable to Investment Services Licence Holders which qualify as MiFID Firms. |

2 Background

Alchemy Markets Ltd (the “Company”) is a limited liability private exempt company registered in Malta on the 31st May 2012 (Company Registration Number C56519). The Company’s registered office is situated at Suite 124, Signature Portomaso, Vjal Portomaso, San Giljan, PTM01, Malta.

The Company obtained its licence on the 23rd November 2012 and is licenced by the Malta Financial Services Authority (“MFSA”) in terms of the Investment Services Act (Chapter 370 of the Laws of Malta) (the “Act”) to carry out the following Investment Services:

- Dealing on own Account;
- Execution of orders on behalf of the other person;
- Reception and Transmission of Orders;

The above investment services may be provided by the Company to Retail Clients, Professional Clients (including Collective Investment Schemes), Collective Investment Schemes and Eligible Counterparties in relation to the following instruments:

- Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivative instruments, financial indices or financial measures which may be settled physically or in cash.
- Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of a default or other termination event.

- Options, futures, swaps, and any other derivative contracts relating to commodities that can be physically settled provided that they are traded on a regulated market, within the meaning of the Financial Markets Act, a Multilateral Trading Facility or an Organised Trading Facility, except for wholesale energy products traded on an Organised Trading Facility that must be physically settled.
- Options, futures, swaps, forwards, and any other derivative contracts relating to commodities, that can be physically settled, are not for commercial purposes, are not included in the preceding paragraph, and, which have the characteristics of other derivative instruments.
- Rights under a contract for differences or under any other contract the purpose or intended purpose of which is to secure a profit or avoid a loss by reference to fluctuations in the value or price for property of any description or in an index or other factor designated for that purpose in the contract.
- Foreign exchange acquired or held for investment purposes.

3 Purpose

This Conflicts of Interest Policy (the “Policy”) has been drafted in line with the Investment Services Rules for Investment Services Providers, Part BI: Rules Applicable to Investment Services Licence Holders which qualify as MiFID Firms. (the “Rules”) and the Conduct of Business Rulebook (the “Rulebook”).

The Company shall act honestly, fairly and with integrity in the best interests of its clients (“Clients”) and of the market. To achieve this, the Company shall avoid conflicts of interests where possible. Should conflicts of interests not be possible to be avoided, measures shall be put in place to identify and manage such conflicts. As a measure of last resort, should conflicts not be able to be prevented or managed in a sufficient way to ensure with reasonable confidence that the risks of damage to the interests of clients will be prevented, the Company shall disclose such interests to its Clients.

This Policy sets out the Company’s procedure when identifying and managing conflicts of interest. To this effect, this Policy seeks to:

- Identify circumstances, or potential circumstances, which may give rise to conflicts of interest which entails a potential risk of damage to the interest of one or more Clients, and where possible seek to prevent conflicts of interest from occurring.
- Establish appropriate measures and controls to manage those conflicts of interest which cannot be mitigated; and
- Maintain procedures to ensure that all instances of conflicts of interests are being monitored.
- This Policy is to be communicated to the Company’s Relevant Persons.

4 General

The existence of any of the following conditions shall be treated as a conflict of interest:

- A conflict between the interests of the company or any of the staff members, or any person directly or indirectly linked by control to the company, and the interests of the client in relation to which the company owes an obligation to such client;
- A conflict between the different functions and departments of the company;
- Conflicts between the company and its employees or agents; and,

- A conflict between the interests of two or more customers, in the course of providing separate investment services or ancillary services to each of them.

The company keeps a register of circumstances which potentially give rise to a conflict of interests and how these are minimised.

The conflicts identified in the register were developed based on the following list of examples of potential situations giving rise to a conflict of interest:

- A conflict of interest is likely to arise if the company or any of its staff members, 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 customer.
- A conflict of interest is likely to arise if the company, or any of its staff members, or a person directly or indirectly linked by control to the company has an interest in the outcome of a service provided to the customer, or a transaction carried out on behalf of the customer, which is distinct from the customer's interests in that outcome.
- A conflict of interest is likely to arise if the company or any of its staff members, or a person directly or indirectly linked by control to the company has a financial or other incentive to favour the interest of another customer or group of customers over the interests of the customer.
- A conflict of interest is likely to arise if the company or any of its staff members, or a person directly or indirectly linked by control to the company carries on the same business as the customer.
- A conflict of interest is likely to arise if the customer, 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 customer an inducement in relation to a service provided to the customer, in the form of monies, goods or services, other than the standard commission or fee for that service.

5 Corporate Governance

The Company has robust governance arrangements, including at least one Director sitting on the Board of Directors who is completely independent from the day-to-day operations of the Company. Furthermore, all key business decisions, policies and procedures are formally approved by all Directors of the Company.

Furthermore, the Company has a Corporate Governance Framework in place which sets out the organisational structure of the Company and related internal control and oversight framework. The Corporate Governance Framework also sets out clear and defined reporting lines of the Company and details the roles and responsibilities of the respective functions/departments.

6 Segregation of Functions

The Company ensures that functions, as necessary and when possible, given the size, nature and complexity of the business, are kept segregated.

The Company's Control Functions are kept functionally and hierarchically separate from the Company's operations. This ensures that the Control Functions are not overseeing operations they are involved in and are

also compensated independently of the performance of the operations of the Company and in line with the achievement of the objectives linked to their function.

7 Disclosure by Staff Members

- It is the duty of all staff members to disclose any actual or potential personal conflicts of interest which might arise when carrying out their tasks for the Company. A disclosure should be made in writing to the Compliance Officer as soon as these are identified.
- It is the responsibility of each and every employee to familiarise themselves with this policy and to immediately disclose any actual or potential non-personal conflict of interest. Such disclosure should be made in writing to the Compliance Officer. This conflict of interest will then be recorded on the register and notified to the Board of Directors.
- In any situation where a member of the staff is uncertain as to whether a particular situation may give rise to a conflict of interest, advice shall be sought from the Compliance Officer.
- A confidential record of all disclosures made is maintained by the Compliance Officer.
- Members of staff shall be required to provide updated information on request.
- In the event that a conflict of interest or a potential conflict of interest has been disclosed, the individual concerned shall discuss a possible resolution with the Compliance Officer. Any unresolved matter shall be referred to the CEO and a disclosure of the Conflict of Interest to the customer or customers concerned shall be considered.
- Identified conflicts are reviewed on an annual basis.

8 Managing Potential or Actual Conflicts of Interests

Whenever a conflict of interest or possible conflict of interest is identified, the Compliance Officer may take any of the following measures, additional or alternative measures in order to ensure an acceptable degree of independence:

- Prevent or control the exchange of information between relevant persons engaged in activities involving likelihood of a conflict of interest.
- Supervise any relevant person whose principal functions involve carrying out activities on behalf of, or providing services to, customers whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the Company.
- Remove any direct link between the remuneration of relevant persons principally engaged in one activity and the remuneration of, or the revenue generated by, different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities.
- In the event that the conflict cannot be adequately managed or eliminated, full disclosure will be made of the conflicts and its potential impact.

9 Staff Dealing Policy

In accordance with the Investment Services Rules, the Company has established a staff dealing policy aimed at preventing the following activities listed in (a) to (c) below. 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 customers or transactions with, or for, customers by virtue of an activity carried out by him on behalf of the Company:

The Compliance Officer shall ensure that no member of the staff, or service provider, who is involved in any activity that may give rise to a conflict of interest, or who has access to inside information or confidential information, undertakes any of the following activities:

- a) Entering into a transaction which meets at least one of the following criteria:
 - I. that person is prohibited from entering into it under the Prevention of Financial Markets Abuse Act;
 - II. it involves the misuse of improper disclosure of that confidential information;
 - III. it conflicts or is likely to conflict with an obligation of the Licence Holder under these Rules.
- b) Advising or procuring, other than in the proper course of his/her employment or contract for services, any other person to enter into a transaction in Instruments which, if a personal transaction of the relevant person, would be covered by point (a) above
- c) Disclosing other than in the normal course of his/her 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 Instruments which, if a personal transaction of the relevant person, would be covered by point (a) above
 - II. to advise or procure another person to enter into such a transaction.

In order to implement the above, the Compliance Officer shall on an ongoing basis monitor regularly members of the staff for any of the prohibited activities mentioned above.

If need be, the Compliance Officer shall also circulate an internal memo with reference to the above list to all members of the staff informing them that such activities are prohibited, and that if they are aware of any activity which may fall within such list, they shall inform the Compliance Officer promptly of the circumstances of such an activity.

Staff members may be required to countersign the internal memo thereby acknowledging that they are not involved or are not aware of the involvement of any member of the staff in any of the listed activities. Such acknowledgement shall be taken at least upon commencement of employment with the company and subsequently towards the end of each year during the staff performance review.

The Compliance Officer shall keep a record of individuals who carried out a personal transaction and review any changes on an ongoing basis.

10 Gifts Policy and Procedure

As a general principle, a gift should not be accepted where it could be seen by others as an open inducement or a reward that might place the company under any obligation.

Without prejudice to the above, members of the staff are prohibited from accepting gifts from current or prospective customers the value of which exceeds the threshold of 100 Euros.

For clarity's sake, food items or similar items, such as Christmas hampers, should in general be accepted. Likewise, an invitation to dinner, sports/cultural event or other similar local function will be deemed to be under this policy's gift threshold.

Members of the staff shall report the fact that they have received a gift from a customer (irrespective of the type or value) to the Compliance Officer, and whether such gift was accepted or otherwise.

The Compliance Officer may ask a member of the staff who has received a gift to give an approximate estimation of the value of the gift.

A record of substantial gifts received shall be kept by the Compliance Officer and passed on to the board of directors if requested.

Small items, including trade show giveaways such as key chains, notepads, diaries etc., shall not be considered as gifts contemplated in this policy and procedure, and may be retained by the member of the staff without any obligation to report to the Compliance Officer.

11 Disclosure of Conflicts of Interest to Clients

Where the Company's organisational and administrative arrangements made to prevent conflicts of interest from adversely affecting the interest of its Clients are not sufficient to ensure, with reasonable confidence, that risks of damage to Client interests will be prevented, the Company shall clearly disclose to the Client the general nature and sources of conflicts of interest and the steps taken to mitigate those risks before undertaking business on its behalf.

It is important to note that disclosure to Clients should be taken as a measure of last resort.

Such disclosure shall:

- Be made in a durable medium; and
- Include sufficient detail, taking into account the nature of the Client, to enable the Client to take an informed decision with respect to the Service in the context of which the conflict of interest arises.

In this respect, the disclosure shall include:

- Organisational 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 interest of the Client to be prevented; and
- Specific description of the conflict of interest that arises in the provision of the services, taking into account the nature of the Clients to whom the disclosure is being made, including a description of the

general nature and sources of conflicts of interest, as well as the risks to the Client that arise as a result of the conflict and the steps undertaken to mitigate these risks, in sufficient detail to enable that Client to make an informed decision with respect to the service in the context of which the conflicts of interest arise.

12 Responsibility and Review

The responsibility of oversight and implementation of this Policy lies with the Board of Directors of the Company. The day-to-day oversight responsibility shall lie with the Company's Chief Executive Officer. The Company's Compliance Officer shall at least on an annual basis review the Policy and effectiveness of implementation, as part of the Company's Compliance Monitoring Programme. Any updates made to the Policy shall ultimately be subject to the Company's Board of Directors approval.

13 Appendix I – Conflicts of Interest Declaration

Full Legal Name:

Company:

Position

Reporting Lines

Details of the nature of Conflict of Interest (For any situation you answer 'Yes' for, please provide a description of the situation you believe could contribute to a conflict of interest and provide proposed mitigation measures):

Hold external mandates with entities that have or may have business interest relevant to any of the Clients of the Company

Yes

No

If yes, please give details

Other Board Memberships

Yes

No

If yes, please give details

Have you been offered or solicited any gifts, hospitality, accommodation or other benefits in relation to your duties with the Company?

Yes

No

If yes, please give details

Close relationships (economic, financial or contractual nature or family links) between you and your close relatives with service providers or counterparties appointed by the Company

Yes

No

If yes, please give details

Any other situation not addressed above which you wish to declare.

Declaration:

By signing this form, I declare and certify that:

- I understand that I must take into account: (i) my personal interest; (ii) those of my immediate family members; and (iii) those companies and organisations to which I have professional or personal relationships;
- I agree to report promptly any change on the information reporting on this form or any new information related to conflict of interest; and
- I hereby certify that the information set forth above is true and complete to the best of my knowledge.

Signature

Date