CONFLICTS OF INTEREST POLICY

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1. Purpose

The purpose of this Policy is to specify the procedures put in place by ZERO Financial LTD, hereafter the "Company", for identifying and responsibly managing and controlling and, where necessary, disclosing the conflicts of interests arising in relation to its business and to reduce the risk of client disadvantage and of legal liability, regulatory censure or damage to Company's commercial interests and reputation and to ensure that it complies with legislative requirements and the departmental and general procedures which are set by its Internal Procedures Manual.

2. Policy

All employees of the Company must on commencement of their employment read and fully understand the Policy. All employees of the Company are obliged to register their acceptance of having read and understood the Policy in a register, which is to be filed and managed by the Director(s) of the Company. Any employee that suspects any conflict of interest must immediately inform the Company's Board of Directors 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 Financial Services Commission should such a need arise.

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 services 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 services:

- 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.

- 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.

- 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.

- 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.

- 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 of the Company;
- A member of the board of directors, partner or equivalent of the Company;
- An employee of the Company, as well as any other natural person whose services are placed at the disposal and under the control of the Company, who is involved in the provision by the Company of investment services;

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:

- Between the client and the Company.
- Between two clients of the Company.
- Between the Company and its employees.
- Between a client of the Company and an employee/manager of the Company.
- 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.

3. 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, 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 personal transactions which will cause the following:

- 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.

The Company shall keep records of the personal transactions notified to or identified by the Company, including any authorisation or prohibition in connection with such transaction.

4. 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 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 Head of Compliance Department for inclusion within the reports reviewed by the Board of Directors.

5. Management of Conflicts of Interest

5.1. 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 where the exchange of that information may harm the interests of one or more clients. Please refer to section 3.3.a.i below.
- 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 are:

5.1.1. Investment Dealer Team

- 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:

  - Dealing room employees do not relate their remuneration with clients' performance.
  - For the time being, the Company does not have a variable component in its remuneration policy. When management decides to reward employees with a variable remuneration, checks and balances will be in place so that (1) the annual variable remuneration of any employee cannot exceed his or her annual fixed remuneration (2) that the variable remuneration

package does not lead to aggressive behaviour that might detriment clients.

- The Compliance Department is required to approve all variable remuneration policies, and the Company is required to disclose or make readily available these policies to all clients and potential clients.
- 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 services. 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 services.

5.1.2. 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.

The Company has taken appropriate measures to restrict the flow of information between certain departments within the Company. First and foremost, the management bestowed upon the Compliance Department enough executive authority to establish and safeguard its independence from all other departments within the Company. The Compliance Department has unrestricted access to all information and to all departments and reports directly to the Company's Board of Directors.

All control functions are reporting directly to the Board of Director(s) and are strictly prohibited from making their annual or other reports available to any employee, from any department, prior to communicating the reports to the Board of Director(s) and obtaining their consent.
In addition, the Company ensures that physical separation exists between the following departments:

- Compliance Department
- Investment Dealer Team
- Marketing Department

5.1.3. Fair treatment of clients

The Company is obligated to treat all clients fairly and with transparency. When the Company executes an order for a customer it does not give any preferential treatment to that customer to the detriment of other customers and does not disclose the details of one customer order to other customers.

The Investment Dealer Team is obligated to execute all otherwise comparable orders in accordance with the time of their receipt, is prohibited from executing any other orders prior to clients', and is obligated to always consider best execution for clients.

The Investment Dealer Team is obligated to always consider best execution when executing clients' orders. It should be noted that best execution does not necessarily mean lower execution fees, but, rather, best overall result for the client in question based on the clients' situation and preferences.

5.2. Alignment of the Company's interests with clients' interests

The Company's Board of Director(s) is obligated to undertake all possible steps to ensure that the Company's and Clients' interests are always aligned. It acknowledges, however, that in the normal course of business there will be situations of misalignment. Should such situations arise the Company is obligated to make adequate and transparent disclosures to clients, prior to accepting client's orders, or offering services to the clients that are affected, or might be deemed as affected, by these misalignments, in accordance with section 3.3.b below.

5.3. 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' interests 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 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, taking into account the nature of the client, to enable him to take an informed decision with respect to the investment 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 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 organisational 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 services, taking into account 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 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.

6. Record keeping

The Company keeps and regularly updates a record of the kinds of investment service 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 the applicable record-keeping obligations, as imposed in accordance with Mauritius Laws and/ or Regulations:

- 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.

7. 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 relevant 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 shall be is the Head of the Compliance Department 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 Department's Head will have the final say.

9. Review of the Policy

This Policy shall be reviewed periodically and at least on an annual basis by the Company's Compliance Team and shall be approved from the Company's Board of Director(s). The Company shall take all appropriate measures to address any deficiencies.

Over-reliance on disclosure of conflicts of interest shall be considered a deficiency in the Company's conflicts of interest policy.

Should you have any questions or enquiries, please don’t hesitate to

contact ZERO Financial LTD