Breakline Markets

Conflicts of Interest Policy

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1. Policy objective.

This Conflicts of Interest Policy ("the Policy") is issued in accordance with the applicable legislation of Mauritius, including (but not limited to) the Financial Services Act 2007, the Code of Business Conduct issued under section 7(1)(a) of the Financial Services Act 2007, and other relevant regulations. Breakline Markets Limited ("the Company") is committed to taking all reasonable steps to identify, manage, and avoid conflicts of interest within its operations and organizational structure. In accordance with the principles set forth in the applicable Mauritius legislation, the Company is dedicated to acting honestly, fairly, and professionally, always in the best interests of its Clients.

This Policy outlines the Company's approach to identifying and managing conflicts of interest that may arise during the course of its normal business activities. It also identifies specific circumstances that could give rise to such conflicts.

The Conflicts of Interest policy includes the following:

a. Identification of Potential Conflicts of Interest: The Company identifies potential conflicts of interest that may arise during the provision of investment services and any related ancillary services. These conflicts could involve situations where the interests of the Company, its employees, directors, officers, or any related parties ("relevant persons") conflict with the interests of the Client.
b. Procedures for Managing Conflicts: The Company specifies procedures to be followed and measures to be adopted to manage such conflicts effectively.

Capitalized terms used herein shall have the same meaning as the Terms of Business.

2. Criteria of identifying conflicts of interest.

When the Company deals with or on behalf of 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 situations and circumstances which may give rise to a conflict of interest and potentially but not necessarily be detrimental to the interests of one or more Clients.

For the purpose of identifying the types of conflicts of interest that may arise in the course of providing investment services whose existence may damage the interest of a Client, the Company will take into account (whether the Company or a relevant person) any of the following situations:

- 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 favor 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;
- The Company or a relevant person receives gifts, hospitality, or non-monetary benefits that could influence decision-making to the detriment of the Client.

3. 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.

While it is not feasible to define precisely or create an exhaustive list of all relevant conflicts of interest that may arise (as per the current nature, scale and complexity of the Company's business), the following 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 a result of 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 money, goods or services, other than the standard commission or fee for that service.
- 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.
- The Company may receive or pay inducements to or from third parties due to the referral of new Clients or Clients' trading.
- The possible use or dissemination of confidential information derived from various business units of the Company.
- 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.

- The Company may be the counterparty to its Clients' positions (i.e. act as Principal) and therefore stands to profit if the Client loses.
- The Company trades its proprietary positions and at the same time has knowledge of Client's future transactions via stop limit orders, as applicable.
- The remuneration scheme of employees/relevant persons which may be based on the Clients' trading volumes or value of trades placed by retail clients.
- The remuneration of third parties where the interest of a Client conflicts with the interest of the third party.
- 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.
- The Company is likely to sustain an overall financial loss or avoid a financial loss, by executing the Client's specific order.
- The Company is likely to sustain an overall financial gain by not executing the 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.
- 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 requirements.

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.

4. Reporting conflicts of interest.

Any employee who identifies a potential conflict of interest must immediately report it to their supervisor. The Conflict of Interest Notification Form, with full details, should be submitted to the Conflicts Officer and the Head of Compliance for review. These individuals will assess the situation and determine if corrective actions are necessary.

5. Procedures and controls for managing 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:

1. The Company has in place effective internal policies, measures and procedures to prevent or control the exchange of information between Related 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;
2. Establishment of an in-house Compliance Function whose responsibilities include the monitoring and reporting possible conflict of interest to the Board of Directors. Conflicts of Interest Policy Breakline Markets Limited, with a registered office at 6th floor, Nexteracom Building, Ebene Cybercity, Mauritius, holding a License Number: C204401 | Registered and regulated by the Financial Services Commission (the “FSC”) in Mauritius;
3. Establishment of Information Barriers (Chinese Walls). The Company establishes information barriers, known as Chinese Walls, to prevent the inappropriate exchange of confidential information between departments. This ensures that sensitive information, particularly related to Client transactions, is not shared between departments that could lead to conflicts of interest.
4. **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.
- Personal accounts dealing by relevant persons must be pre-approved by the Compliance Officer.

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.

5. 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 means 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. Disclosure requirements will vary based on whether the Client is categorized as Retail or Sophisticated, with retail clients receiving more detailed explanations. 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:

- 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 been 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;

- 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
- 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.

6. 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 seven 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;
- 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.

7. 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 are 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 takes the necessary action to resolve it.

8. 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 Officer 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; and
- providing appropriate internal reporting to the Board of Directors.

6. Client's consent.

By entering into a business relationship with the Company and accepting its Terms and Conditions, the Client agrees to this Conflicts of Interest Policy, including any updates made to it. If the Company is unable to manage a conflict of interest, it reserves the right to decline to proceed with the related transaction. Any material conflicts identified subsequent to

onboarding of the Clients would be individually disclosed to the Clients with an option to consent or decline further action.

7. Disclosure of information.

If during the course of a business relationship with a client or group of Clients, the organizational or administrative arrangements/measures in place are not sufficient to avoid or manage a conflict of interest relating to that Client or group of Clients, the Company will disclose the conflict of interest before undertaking further business with the Client or group of Clients.

8. Languages.

Language of communication between the Company and the Client shall be in English. All binding contractual documentation is available in English.

Upon its sole discretion the Company, may communicate with the Client in other language than English, however in case of any discrepancy between the meanings of any communications and/or meanings, or any other communications forming part of this Policy or any other agreements, information or communication in any other language, the meaning of the English Language version shall prevail.

The Company or third parties may provide Clients with translations of this Policy. The original English version shall be the only legally binding version. In case of discrepancies between the English version and other translations in the Client's possession, the original English version provided by the Company on the website shall prevail.

9. Review of conflicts of interest policy.

The Company will review this Policy periodically, at least annually, to ensure its effectiveness and compliance with applicable regulations. More information and/or questions regarding Conflict of interest can be provided upon request to info@breaklinemarkets.com .