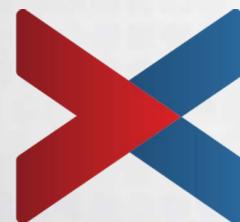


# Conflict of Interest Policy

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NOVOX

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## 1. INTRODUCTION

- 1.1 This Conflict of Interest Policy (the '**Policy**') outlines the manner in which NOVOX GLOBAL LIMITED. (referred to as '**Novox**', the '**Firm**', '**Us**', '**We**'), where applicable, identifies, manages, mitigates or controls any possible conflicts of interest which may arise, during the course of your business relationship with Novox.
- 1.2 **For your benefit and protection, please ensure that you take sufficient time to read this and any other additional documentation and information available to you via our Website, prior to opening an account and/or carrying out any activity with us. You should contact us for any further clarification, or seek independent professional advice (if necessary).**

## 2. SCOPE OF THE POLICY

- 2.1 According to applicable legislation we must take reasonable steps to ensure that conflicts and potential conflicts of interest between Novox and its Clients and between one Client and another are identified and then prevented or managed in such a way that the interests of a Client are not adversely affected and to ensure that all our Clients are fairly treated and not prejudiced by any such conflicts of interest. Our aim is to take all reasonable steps to implement or maintain any arrangements, which will identify and manage such conflicts. The Policy applies to all its directors, employees, any persons directly or indirectly linked to the Firm (hereinafter called '**related persons**') and refers to all interactions with all clients.
- 2.2 We are committed to act honestly, fairly and professionally, and in the best interest of our Clients and to abide by the principles set out in applicable legislation, when providing investment services to our Clients.
- 2.3 For any capitalised term, which has not been defined herein, please refer to Schedule A ('Glossary') of the 'Client Agreement'.

## 3. IDENTIFICATION OF CONFLICTS OF INTEREST

- 3.1 For the purposes of identifying the types of conflict of interest that may arise during the course of the business relationship between us. It is the obligation of the Firm to take into account (as a minimum) whether:
- (a) the Firm and/or relevant person is likely to make a financial gain, or avoid a financial loss, at the expense of the Client;

- (b) the Firm and/or 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;
- (c) the Firm and/or 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;
- (d) the Firm and/or relevant person carries on the same business as the Client;
- (e) the Firm and/or 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.

#### **Examples of Conflicts of Interests:**

3.2 Conflicts of interest may arise in a number of situations, including the below:

- 3.2.1 where Novox may assign or transfer the execution of the client instruction(s) to another member of the Novox group of companies;
- 3.2.2 executing instructions by different Clients that are opposite to one another;
- 3.2.3 establish business, including trading relationships, with other issuers of financial instruments, in which the Firm may have a financial interest in such instruments;
- 3.2.4 the Firm may pay commission (or other related fees) to a third party as a result of your introduction to the Firm (you will have to sign the relevant acceptance form in advance).

3.3 Please note that it is not feasible to define precisely or create an exhaustive list of all relevant conflicts of interest that may arise. You may also refer to 'ANNEX: I', for further details.

## **4. MANAGING CONFLICTS OF INTEREST**

- 4.1 The Firm establishes, implements and maintains an effective conflict of interest policy. Where a conflict of interest arises the Firm endeavours to manage such a conflict promptly and fairly.
- 4.2 The Firm has therefore set up internal policies and we take all reasonable steps to identify and manage potential conflicts of interests'.
- 4.3 The Firm maintains and operates effective organisational and administrative procedures to manage the identified conflicts of interest. The Firm also undertakes ongoing monitoring of business activities to ensure that internal controls are appropriate. Where we become aware of a conflict or potential conflict of interest, we must prevent or manage that conflict of interest by using appropriate arrangements.
- 4.4 In general, the procedures and controls that the Firm follows regarding conflicts of interest include the following measures:

- 4.4.1 effective procedures to prevent or control the exchange of information, or restrict the communication of the relevant 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;
  - 4.4.2 disclose the conflict of interest to the Client in writing either generally or in relation to a specific transaction;
  - 4.4.3 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 Firm;
  - 4.4.4 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;
  - 4.4.5 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;
  - 4.4.6 measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest;
  - 4.4.7 the appropriate disclosure(s) to the Client in a clear, fair and not misleading manner to enable the Client to make an informed decision; and
  - 4.4.8 a periodic review (at least on annual basis) of our execution arrangements.
- 4.5 A non-exhaustive list of procedures established to prevent conflicts of interests when providing investment and ancillary services are shown below:
- 4.5.1 a 'need to know' procedure governing the dissemination of confidential or inside information within the Novox group of companies;
  - 4.5.2 chinese walls restricting the flow of confidential and inside information within our Firm, and physical separation of departments;
  - 4.5.3 procedures governing access to electronic data;
  - 4.5.4 a remuneration structure that ensures remuneration methodologies do not compromise the Firms' duty to act in the best interest of Clients and the various control mechanisms' independence and objectivity;
  - 4.5.5 segregation of duties that may give rise to conflicts of interest if carried on by the same individual;
  - 4.5.6 personal account dealing requirements applicable to relevant persons in relation to their own investments;

- 4.5.7 a policy designed to limit the conflict of interest arising from the giving and receiving of inducements;
- 4.5.8 a gifts and inducements log registering the solicitation, offer or receipt of certain benefits;
- 4.5.9 the prohibition of external business interests conflicting with our interests as far as officers and employees of Novox group of companies are concerned, unless the management and/or the board of directors of Novox approved this;
- 4.5.10 establishment of in-house independent Compliance Department to monitor and report on the above to the Firm's board of directors;
- 4.5.11 establishment of an in-house independent Internal Audit Department that evaluates the adequacy of the internal control mechanisms and arrangements including on managing conflicts of interest;
- 4.5.12 establishment of the four-eyes principle in supervising the Firm's activities.

## **5. DISCLOSURE**

- 5.1 Where a Client specific conflict arises, the Firm will use reasonable endeavours, if it is aware of it and if we cannot use reasonable efforts to manage it, to disclose it to the Client prior to undertaking investment business (or any further investment business) for that Client or, if it does not believe that disclosure is appropriate to manage the conflict, we may choose not to proceed with the transaction or matter giving rise to the conflict.
- 5.2 The Firm reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate. Further information about this summary document is available upon request.

## ANNEX: I

Potential conflicts of interest as at the date of the Policy, may include, where applicable:

Conflict	Description	
Model of Execution	<p>Novox acts as a 'matched – principal' which means that we match all Client trades with our counterparty (namely Novox Global Limited.) which may profit from Clients' losses. Novox Global Limited. Is the Clients' sole Counterparty and/or execution venue.</p>	<p>Our counterparty, Novox Global limited. operates under a 'Non-Dealing Desk Intervention' using a hybrid model with an agency method of execution, which means we are able to internally match a great deal of our order flow. Not all Clients' positions are hedged, thus a residual exposure remains in house up to our market risk limit. Excess exposure is hedged externally.</p>
Investment research and financial analysis	<p>Novox does not procure or produce its own research. Novox may issue and/or distribute third party material which contains information including but not limited to the conditions of the financial markets through any media means. However, this should not be considered as containing investment advice or recommendation or solicitation to enter into any transaction.</p> <p>Any such material is not prepared in accordance with legal requirements promoting the independence of investment research and</p>	<p>A prominent disclaimer is added to all marketing communications which constitute a financial promotion. In addition, all marketing communications are reviewed and approved by our Compliance Department.</p>

	<p>it is not subject to any prohibition on dealing ahead of the dissemination of investment research. All expressions of opinion included in such material, are subject to change without notice. Any opinions made may be personal to the author and may not reflect the opinions of Novox.</p>	
<p>Clients referred to us by Introducers</p>	<p>Novox allows intermediary parties to refer clients to Novox. Under the terms of a typical referral agreement, introducers are compensated for the clients they refer, usually in the form of rebates. Other remuneration arrangements may exist between the Firm and the introducer. Irrespective of such remuneration, the quality of the execution of the client's trades is not affected.</p>	<p>We ensure that no such remuneration affects the quality of execution offered to our Clients. Any remuneration is paid directly from Novox revenue and not from Client funds. In addition, no Introducer of Novox will provide regulated investment advice and we monitor the Introducers' activities to ensure that no misleading information is being provided to Clients.</p>

**NOVOX GLOBAL LIMITED**

Incorporated in the St Vincent

Authorised and regulated by Financial Services Authority ( License no. 24952IBC2018)

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