



## CONFLICT OF INTEREST POLICY

SPECTRA GLOBAL LTD

AN INVESTMENT DEALER (FULL-SERVICE DEALER EXCLUDING UNDERWRITING) LICENCE AND  
GLOBAL BUSINESS COMPANY LICENSED BY THE FSC

## Introduction

Spectra Global Ltd. (the “Company” or “SGL”) holds a Global Business License (“GBL”) issued by the FSC on 29 June 2023 as well as an Investment Dealer (Full Service Dealer excluding Underwriting) license (the “ID License”) granted by the FSC on 29 June 2023.

An investment dealer has an affirmative duty to act in the best interests of its clients and to make full and fair disclosure of all material facts to the exclusion of any contrary interest. Generally, facts are “material” if a reasonable investor would consider them to be important. The duty of addressing and disclosing conflicts of interest is an ongoing process and as the nature of an investment dealer’s business changes, so does the relationship with its clients.

The Company will be both acting as an intermediary in the execution of securities transactions for clients and will also be dealing on its own account, that is trade in securities as principal with the intention of reselling these securities to the public. The Company will be offering Online Trading of various derivatives and other financial instruments on a non-deliverable basis only and the Company will not be engaged in the physical delivery of any instruments or its underlying.

As an investment dealer, the Company owes its clients specific duties of a fiduciary nature:

- Provide advice that is suitable for the client.
- Give full disclosure of all material facts and any potential conflicts of interest to clients and prospective clients.
- Serve with loyalty and in utmost good faith.
- Exercise reasonable care to avoid misleading a client; and
- Make all efforts to ensure the best execution of transactions.

SGL seeks to protect the interest of each client and to consistently place the client’s interests first and foremost in all situations. It is the belief of SGL, as an investment dealer, that its policies and procedures are sufficient to prevent and detect any violations of regulatory requirements as well as the Company’s own policies and procedures.

## Conflicts of Interest Policy

SGL has an affirmative duty of care, loyalty, honesty, and good faith to act in the best interest of its clients. All supervised persons must refrain from engaging in any activity or having a personal interest that presents a “conflict of interest.” A conflict of interest may arise if the supervised person’s personal interest interferes, or appears to interfere, with the interests of SGL or its clients. A conflict of interest can arise whenever a supervised person takes action or has an interest that makes it difficult for him/her to perform his/her duties and responsibilities for SGL honestly, objectively and effectively.

While it is impossible to describe all of the possible circumstances under which a conflict of interest may arise, listed below are situations that most likely could result in a conflict of interest and that are prohibited under this Code of Ethics:

- Access persons may not favor the interest of one client over another client (e.g., larger accounts over smaller accounts, accounts compensated by performance fees over accounts not so compensated, accounts in which employees have made material personal investments, accounts of close friends or relatives of supervised persons). This kind of favoritism would constitute a breach of fiduciary duty; and

- Access persons are prohibited from using knowledge about pending or currently considered securities transactions for clients to profit personally, directly or indirectly, as a result of such transactions, including by purchasing or selling such securities.
- Access persons are prohibited from recommending, implementing or considering any securities transaction for a client without having disclosed any material beneficial ownership, business or personal relationship, or other material interest in the issuer or its affiliates, to the RCO. If the RCO deems the disclosed interest to present a material conflict, the investment personnel may not participate in any decision-making process regarding the securities of that issuer.

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Pursuant to paragraph 3.4.1 of the Anti-Money Laundering and Combatting the Financing of Terrorism Handbook issued by the FSC in January 2020 and updated on 21 September 2022 (the “FSC Handbook”), the circumstances of the Company may be such that, due to the small number of employees, the Compliance Officer holds functions in addition to its functions of Compliance Officer as prescribed under Mauritius laws and regulations, or is responsible for other aspects of the Company’s operations. Where this is the case, the Company must ensure that any conflicts of interest between the responsibilities of the Compliance Officer’s role and those of any other functions are identified, documented and appropriately managed. The Compliance Officer however should be independent of the core operating activities of the Company and should not be engaged in soliciting business.

SGL and its officers will act in the best interest of its clients.

- An interest register will be kept by the Company.
- The personal interests of a director, or persons closely associated with the director, must not take precedence over those of the Company and its participants.
- A director should make his/her best effort to avoid conflicts of interest or situations where others might reasonably perceive there to be a conflict of interest.
- Full and timely disclosure, in writing, of any conflict, or potential conflict relating to directors and management must be made known to the Board.
- Where an actual or potential conflict does arise, on declaring their interest and ensuring that it is entered on the Register of Interests of the Company, a director can participate in the debate and/or indicate their vote on the matter, although such vote would not be counted. The director must give careful consideration in such circumstances to the potential consequences it may have for the Board and the Company.
- Directors should recognise that their duty and responsibility as directors is always to act in the interests of the Company and not any other party.
- Directors and officers must treat confidential matters relating to the Company, learned in his/her capacity as director/officer, as strictly confidential and must not divulge them to anyone without the authority of the Board. The Board must consider each such request on its merits and on a case-by-case basis.

### **Managing Conflicts of Interest**

It is vital for SGL which will be carrying out more than one regulated activity vis-a-vis its clients, to identify and manage any conflict of interest that may arise in the course of providing such services.

Conflict of interest may arise between SGL's interest and that of its client and between the interests of one client and another. SGL shall endeavour to manage these conflicts of interest by:

- Establishing well-defined Chinese walls segregating the Management Functions and Advisory Functions
- Independent oversight
- Disclosure
- Declining to provide the service

A conflict-of-interest register shall be kept by each Committee. Any conflict-of-interest situations or potential conflict situations should be reported immediately to the relevant Committee who shall escalate it to the Board of SGL.

From time to time, representatives of SGL may buy or sell securities for themselves that is also in our portfolio. The RCO will always document any transactions that could be construed as conflicts of interest and SGL will always transact client business before their own when similar securities are being bought or sold.

### **Gifts and Entertainment**

Supervised persons should not accept inappropriate gifts, favors, entertainment, special accommodations, or other things of material value that could influence their decision-making or make them feel beholden to a person or firm. Similarly, supervised persons should not offer gifts, favors, entertainment or other things of value that could be viewed as overly generous or aimed at influencing decision-making or making a client feel beholden to the Company or the supervised person.

No supervised person may receive any gift, service, or other thing of more than de minimis value from any person or entity that does business with or on behalf of the ID. No supervised person may give or offer any gift of more than de minimis value to existing clients, prospective clients, or any entity that does business with or on behalf of the ID without written pre-approval by the RCO. The annual receipt of gifts from the same source valued at \$250.00 or less shall be considered de minimis. Additionally, the receipt of an occasional dinner, a ticket to a sporting event or the theatre, or comparable entertainment also shall be considered to be of de minimis value if the person or entity providing the entertainment is present. All gifts, given and received, will be recorded in a log to be signed by the supervised person and the RCO and kept in the supervised person's file.

No supervised person may give or accept cash gifts or cash equivalents to or from a client, prospective client, or any entity that does business with or on behalf of the adviser.

Bribes and kickbacks are criminal acts, strictly prohibited by law. Supervised persons must not offer, give, solicit or receive any form of bribe or kickback.

### **Independent Audit**

In all cases, the Company must be satisfied and able to demonstrate that the person or the firm undertaking the audit is adequately independent from the area of the business function responsible for risk assessment and AML/CFT programme, and ensure that there are no conflicts of interest. Therefore, the independent audit may be conducted by an in-house audit professional not involved in the development and implementation of the AML/CFT programme or outsourced to external accountants or independent consultants duly regulated or registered by the relevant competent authorities.