



CONFLICT OF INTEREST POLICY

1. PURPOSE

The purpose of this policy is to ensure that it complies with legislative requirements and the departmental and general procedures which are set by the Company.

2. LEGAL FRAMEWORK

In accordance with Directive DI144-2007-01 and the Law, CIFs are required to establish, implement and maintain an effective conflict of interest policy set out in writing and appropriate to the size and organisation of the CIF and the nature, scale and complexity of its business.

In addition, according to the Investment Services Activities and Regulated Market Law 2007, CIFs must take all reasonable steps to identify conflicts of interest between itself, including its managers and employees, tied agents or other relevant persons, as well as any person directly or indirectly linked to them by control, and their clients or between one client and another, that arise in the course of providing any investment and ancillary services.

3. POLICY

The Company adopts the definition which is provided by CySEC, where conflict of interests can occur when providing investment and ancillary services in the following situations:

- a. 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.
- b. 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.
- c. 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.
- d. 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.
- e. 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 the form of money, goods or services, other than the standard commission or fee for that service.

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:



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- a. Between the client and the Company.
- a. Between two clients of the Company.
- b. Between the Company and its employees.
- c. Between a client of the Company and an employee/manager of the Company.
- d. Between Company's Departments.

Conflicts of interest can occur in a number of situations, for example:

- Where an employee (trader) or member of the Senior Management has a personal position in a lot of currency and he/she is involved in receiving order or advising clients in relation to the same currency.
- Where an employee or member of the Senior Management has a personal account with the Company and the position held by the client moves in such a direction as to where the Company is gaining and the employee is suffering a loss due to the movement of the market.
- 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.
- The Company's hedging policy is affected negatively by the market movement and as a result client's orders are rejected in order to prevent a financial loss for the Company.

MANAGEMENT OF CONFLICT OF INTEREST

a. Independence

The following measures are 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. Employees who are dealing with the Company's own account trading and they are aware of the hedging policy of the Company do not provide advice to clients.
 - ii. Employees who are dealing and have knowledge of the hedging policy of the Company are not allowed under any circumstances to have direct communication with clients.

Note: Due to the nature of the operation such conflict of interest is remote



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- Separate supervision of relevant persons whose principal functions involves carrying out activities on Company's departments whose interests may conflict with clients:
 - i. Dealing Department
 - ii. Own account trading Department

Note: Due to the nature of the operation such conflict of interest is remote

- Removal of any direct link between the remuneration of relevant persons principally engaged with one activity and the remuneration of different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities:
 - i. Own account trading members of staff do not relate their remuneration on the performance of the Company.
 - ii. Dealing room employees do not relate their remuneration with clients' performance.
 - 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.
 - Measures to prevent or control the simultaneous involvement of a relevant person in separate investment or ancillary services or activities such as the own account trading department and the dealing department.
- b. Record keeping

The Company maintains a record, which is regularly updated, of the kinds of investment and ancillary service or investment activity carried out by the Company or on its behalf in which a conflict of interest may entail a material risk of damage to the interests of one or more clients has arisen.

c. Availability

The Policy is summarised to the Company's clients through a separate document. The Policy document is available for review by clients upon request.