

ULTIMO SECURITIES

Conflict of Interest Policy



Introduction

Ultimo Securities International Ltd (hereinafter referred to as the “**Company**”) is an Investment Dealer (Full-Service Dealer, excluding Underwriting), regulated by the **Financial Services Commission** (“**FSC**”) in Mauritius.

The Company has an affirmative duty of care, loyalty, honesty, and good faith to act in the best interest of its clients. All supervised persons¹ must refrain from engaging in any activity or having a personal interest that presents a “conflict of interest.”

Scope and Purpose

The Company requires its directors, officers, employees, consultants and volunteers to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. The board of directors (the “**Board**”) of the Company, has adopted this Conflict-of-Interest Policy (the “**Policy**”).

The purpose of this Policy is to protect the Company’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, officer, employee or other person in a position of authority within the Company.

The Company strives to avoid conflicts of interest to ensure that it continues to operate in accordance with its purpose.

What is an interested transaction?

Section 147 of the Companies Act 2001 defines “interest in a transaction” as one to which the company is a party where the director –

- (a) is a party to, or shall or may derive a material financial benefit from the transaction;
- (b) has a material financial interest in or with another party to the transaction;
- (c) is a director, officer, or trustee of another party to, or person who shall or may derive a material financial benefit from, the transaction, not being a party or person that is –
 - (i) the company's holding company being a holding company of which the company is a wholly-owned subsidiary;
 - (ii) a wholly-owned subsidiary of the company; or
 - (iii) a wholly-owned subsidiary of a holding company of which the company is also a wholly-owned subsidiary;
- (d) is the parent, child or spouse of another party to, or person who shall or may derive a material financial benefit from, the transaction; or
- (e) is otherwise directly or indirectly materially interested in the transaction.

¹“Supervised Persons” means directors, officers, and partners of the Company (or other persons occupying a similar status or performing similar functions); employees of the Company; and any other person who provides advice on behalf of the Company and is subject to the Company’s supervision and control.

Section 147(2) of the Companies Act 2001 further clarifies that a director of a company shall not be deemed to be interested in a transaction to which the company is a party if the transaction comprises only the giving by the company of security to a third party and at the request of that third party which has no connection with the director and in respect of a debt or obligation of the company for which the director or another person has personally assumed responsibility in whole or in part under a guarantee, indemnity, or by the deposit of a security.

Banning these transactions is normally not a solution as there is nothing wrong per se with entering into transactions with related parties provided the conflict of interest inherent in these transactions are adequately addressed including through proper monitoring, approval and disclosure to avoid potential abuse of related party transactions.

Disclosure of conflict of interest

Section 148 of the Companies Act 2001 and Principle 4 of the National Code of Corporate Governance 2016 relating to Director Duties, Remuneration and Performance sets out the procedures when a director becomes aware of the fact that he is interested in a transaction or a proposed transaction.

Hence, every director of the Company shall, forthwith after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, cause to be entered in the interests' register of the Company, where it has one, and, disclose to the Board –

- (a) where the monetary value of the director's interest is able to be quantified, the nature and monetary value of that interest; or
- (b) where the monetary value of the director's interest cannot be quantified, the nature and extent of that interest.

However, the Director is not required to make the above disclosures where –

- (a) the transaction or proposed transaction is between the director and the Company; and
- (b) the transaction or proposed transaction is or is to be entered into in the ordinary course of the Company's business and on usual terms and conditions.

How to make disclosure?

The director that he is interested in a transaction or proposed transaction shall inform the company secretary of the Company of the potential conflict of interest.

A general notice shall be entered in the interests register of the Company and shall be circulated to the Board to the effect that a director is a shareholder, director, officer or trustee of another named company or other person and is to be regarded as interested in any transaction which may, after the date of the entry or disclosure, be entered into with that company or person, is a sufficient disclosure of interest in relation to that transaction.

A register of interest is provided below for the implementation.

Failure to disclose

A failure by a director to disclose any potential conflict of interest shall not affect the validity of a transaction entered into by the Company or the director.

Avoidance of transactions

Section 149 of the Companies Act 2001 further clarifies the following:

A transaction entered into by the Company in which a director of the Company is interested may be avoided by the Company at any time before the expiration of 6 months after the transaction is disclosed to all the shareholders whether by means of the Company's annual report or otherwise.

A transaction shall not be avoided where the company receives **fair value** under it.

- (a) The question as to whether a company receives a fair value under a transaction shall be determined on the basis of the information known to the Company and to the interested director at the time the transaction is entered into.
- (b) Where a transaction is entered into by the Company in the ordinary course of its business and on usual terms and conditions, the Company shall be presumed to have received a fair value under the transaction.
- (c) A person seeking to uphold a transaction and who knew or ought to have known of the director's interest at the time the transaction was entered into shall have the onus of establishing a fair value; and
- (d) In any other case, the Company shall have the onus of establishing that it did not receive a fair value.

A transaction in which a director is interested shall only be avoided on the ground of the director's interest in accordance with this section or the Company's constitution.

To whom does this interest policy apply?

This policy is to be strictly followed by all officers, including directors, shareholders, officers, or trustees of the Company, as may be applicable, in view of the nature of the business of the Company.

REGISTER OF INTERESTS (TEMPLATE)

Type: Investment Dealer (Full-Service Dealer, Excluding Underwriting) License (Pursuant to Section 29 of the Securities Act 2005)

Date of Incorporation:

Company number:

<u>Date of Appointment</u>	<u>Position</u>	<u>Name of Member</u>	<u>Description of Interest</u>
	Ultimate Beneficial Owner		Mr. XX is the Ultimate Beneficial Owner of the Company. He owns 100% shares of the Company. He has full ownership and ensure that the company comply with its obligations.
	Non-Resident Director		Mr. XX is the director of the Company. He participates in board meetings to enable the board to reach certain decisions ensuring that the company's obligations are fulfilled.
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	Resident-Director		Mr. XX is the director of the Company. He participates in board meetings to enable the board to reach certain decisions ensuring that the company's obligations are fulfilled.
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	Head of Dealing		Mr. XX is the Head of Dealing of the company. He monitors company margin levels at the liquidity providers. Also, he ensures trading infrastructure is secure and working smoothly. He adheres to the in-house Code of Ethics which forms part of employment contract,

			and which includes the following key policies: Management of
			Conflict of Interest, Confidentiality of Client and Business information, Provision of Receipt of Gifts or Events or other benefits.
	Assistant Head of Dealing		Mr. XX is the Assistant Head of Dealing of the company. He configures and administer trading systems, including XXX. Also, he formally presents recommendations and solutions for any issues to the senior management team based on analysis of data. He also document operations and risk management procedures and policies and manage internal knowledge sharing site.
	DMLRO		Mrs. XXX is the CO & MLRO of the Company. As a DMLRO, She is responsible to receive internal disclosures in the absence of the MLRO and determine whether and an external disclosure is required .
	CO/MLRO		Mr. XXX is the MLRO of the Company. As a CO, he is responsible for ensuring continued compliance with the requirements of FIAMLA and FIAML Regulations 2018 and having an overall oversight of the program for combatting money laundering and terrorism financing amongst others (Regulation 22(3) of FIAML Regulations 2018). Also, as a MLRO, he is responsible to design and implement and update the manuals as required. He also review and examine the internal disclosures and determine if the transaction reports are suspicious and reporting must be made to the FIU.

Name:

Designation: Company Secretary /

Director Date:

Signature:

