



Conflicts Of Interest Policy



I. Introduction

Fundify Limited ("Fundify" or "the Firm") is a Mauritius-regulated investment firm licensed by the Financial Services Commission (FSC), Mauritius, as an **Investment Dealer (Full Service Dealer, Excluding Underwriting)** under **Section 29 of the Securities Act 2005**. The Company is registered in Mauritius under registration number **C207196**, licence number **GB24202844**, with its registered address at 1/F River Court, 6 St. Denis Street, Port Louis, 11328, Mauritius.

As a regulated entity, Fundify must act honestly, fairly, and professionally, and in the best interests of its clients.

This Conflicts of Interest Policy sets out the firm's approach to identifying, preventing, managing, mitigating, and—where necessary—disclosing conflicts of interest in accordance with Mauritius regulatory obligations, including:

- The **Securities Act 2005**
- The **Financial Services Act 2007**
- The **Securities (Licensing) Rules 2007**

Conflicts may arise naturally in the course of business. Having a conflict is not evidence of wrongdoing; however, failure to act appropriately when a conflict exists may constitute misconduct. This Policy ensures Fundify maintains transparency, fairness, and strong governance.

This Policy applies to all directors, officers, employees, tied agents, contractors, and any other person directly or indirectly involved in Fundify's operations ("Relevant Persons").

II. Purpose of the Policy

The purpose of this Policy is to:

- Ensure conflicts are **identified** early
- Ensure Fundify adopts systems to **prevent** conflicts where possible
- Ensure conflicts are appropriately **managed** or **mitigated**
- Ensure proper **disclosure** where conflicts cannot be prevented
- Protect the interests of Fundify's clients and the integrity of the financial markets
- Demonstrate compliance with Mauritius regulatory requirements

III. What Is a Conflict of Interest

A conflict of interest is a situation in which Fundify or a Relevant Person has competing interests that may impair their ability to act impartially or in the best interests of a client.

A conflict may be:

- **Actual conflict** – Example: A Fundify dealer holds a personal position in the same instrument they are currently executing for a client, creating an immediate and direct conflict between their financial interest and the client's interests.



- **Potential conflict** – Example: A staff member is approached for a future paid consulting role with a technology vendor that Fundify is evaluating, meaning a conflict could arise later if the engagement is accepted.
- **Perceived conflict** – Example: A client becomes aware that a Fundify director holds shares in a liquidity provider used by the firm, creating a perception of influence even if no conflict has occurred.

Conflicts can arise:

- **Between Fundify and a client** – Example: Fundify receives trading-volume rebates from a liquidity provider, creating a risk that client orders may be routed to that provider even where pricing is inferior.
- **Between one client and another client** – Example: Two clients request trades at the same time, but liquidity is limited; prioritising one over the other may result in an unfair outcome.
- **Between Fundify or its staff and the firm's duties** – Example: An employee has an external business interest that competes with Fundify's strategic activities, undermining their obligation to act solely in Fundify's best interests.
- **Between personal interests of staff and Fundify/client interests** – Example: A staff member is responsible for onboarding and reviewing documents for a relative or close friend, creating a risk of biased decision-making or reduced scrutiny.

IV. Identifying Conflicts of Interest

Fundify identifies conflicts through continuous monitoring and review of:

4.1 Business Activities

- Execution of client orders
- Trade allocation between clients
- Use of matched principal trading
- Selection of liquidity providers

4.2 Staff Activities

- Personal account dealing (PA dealing)
- Outside business interests
- Gifts and hospitality received
- Shareholdings or directorships

4.3 Third-Party Relationships

- Affiliates and group companies
- Introducing brokers and referral partners
- Technology providers and outsourced partners

4.4 Information Flow

- Access to confidential or price-sensitive information
- Use of client order-flow data



All identified conflicts are recorded in the **Conflicts of Interest Register**.

V. Prevention of Conflicts

Fundify will use all reasonable measures to prevent conflicts from arising. Preventive controls include:

5.1 Segregation of Duties

Fundify separates responsibilities to ensure no individual has conflicting roles. For example:

- Dealing, risk, operations, and compliance operate independently

5.2 Information Barriers

Fundify restricts access to sensitive information to prevent misuse.

5.3 Personal Account Dealing Controls

- Pre-approval required for staff trading
- Bans on trading certain instruments
- Mandatory disclosure of relationships

5.4 Remuneration Controls

- Staff incentives cannot encourage behaviour detrimental to client interests
- No compensation schemes linked directly to client losses

5.5 Gifts & Hospitality Rules

- All gifts and hospitality must be declared
- High-value or frequent gifts must be declined or escalated to compliance and management.

5.6 Third-Party Inducement Checks

Fundify prohibits inducements from influencing decisions. Any permitted inducements must:

- Enhance client service
- Not impair Fundify's duty to act in clients' best interests

VI. Managing Conflicts of Interest

Where conflicts cannot be prevented, Fundify will manage them using one or more of the following measures:

6.1 Independent Oversight

Compliance independently reviews decisions and escalates serious conflicts.

6.2 Restricting or Reassigning Staff

Individuals with a conflict may be removed from relevant decision-making or client interactions.

6.3 Adjusting Processes

Fundify may:



- Change order routing procedures
- Enforce enhanced review of trade execution
- Implement additional monitoring

6.4 Disclosure to Clients

If Fundify cannot manage a conflict to an acceptable level, the firm will disclose:

- The nature of the conflict
- Risks to the client
- Steps taken to mitigate it

6.5 Declining to Act

If a conflict poses unavoidable risk to a client or the firm, Fundify will decline to proceed with the service.

All management decisions are recorded in the **Conflicts Register**.

VII. Detailed Examples of Conflicts

Below are expanded examples relevant to Fundify's business model, including how each conflict is identified, managed, and overcome.

Example 1: Preferential Order Allocation

Scenario: Two clients request the same trade but available market liquidity is limited. A dealer could be incentivised to favour a high-value client.

Conflict: Unfair treatment between clients.

How Fundify Overcomes This:

- FIFO (first-in, first-out) sequencing enforced through the order management system
- Time-stamped audit trail reviewed by Compliance
- Automatic allocation rules for partial fills
- Quarterly review of allocation fairness

Example 2: Liquidity Provider Rebates

Scenario: A liquidity provider offers Fundify financial rebates based on trading volume routed to them.

Conflict: Incentive to favour that provider even where pricing is less advantageous for clients.

How Fundify Overcomes This:

- Best execution monitoring across all providers
- Independent review of routing logic
- All rebates recorded in the Conflicts Register
- Alternative provider comparison performed monthly

Example 3: Personal Account Trading (PA Dealing)

Scenario: Employees may trade in instruments that clients frequently trade.

Conflict: Staff may benefit from inside knowledge of order flow.

How Fundify Overcomes This:

- Mandatory pre-approval for all staff trades
- Restricted instrument list for high-risk markets
- Real-time PA dealing alerts to Compliance
- Disciplinary action for breaches

Example 4: Gifts or Hospitality Influencing Behaviour

Scenario: A counterparty offers a dealer high-value gifts to influence order routing.

Conflict: Dealer's independence may be compromised.

How Fundify Overcomes This:

- Gift register maintained by Compliance
- Mandatory disclosure and approval before acceptance
- Decline gifts exceeding acceptable thresholds
- Conflicts training focused on unconscious bias

Example 5: Client vs Client Conflicts (Market Impact)

Scenario: A large order from Client A may move the market price and trigger Client B's stop-loss.

Conflict: One client's trading negatively impacts another.

How Fundify Overcomes This:

- Order sequencing handled automatically
- System prevents preferential modification of order timing
- Compliance reviews price movement around large orders
- Clear execution disclosures to clients

Example 6: Family Relationship in Onboarding

Scenario: A staff member is responsible for onboarding a relative.

Conflict: Risk of bypassing required due diligence standards.

How Fundify Overcomes This:

- Mandatory disclosure of relationships
- Automatic reassignment to another onboarding officer
- Compliance approval required before account activation

Example 7: Staff Having External Business Interests

Scenario: An employee holds a consultancy role at a company negotiating a contract with Fundify.

Conflict: Divided loyalty and potential misuse of internal information.

How Fundify Overcomes This:

- Mandatory pre-approval of all outside business interests
- Board review of high-risk interests
- Recusal from decision-making
- Annual certification by all employees

Example 8: Insider or Confidential Information Handling

Scenario: An employee in operations has access to confidential client data and could pass insights to a counterparty.

Conflict: Breach of confidentiality; possible market abuse.

How Fundify Overcomes This:

- Role-based system access restrictions
- Monitoring of data downloads and email forwarding
- Disciplinary measures for misuse
- Mandatory annual confidentiality training

Example 9: Related-Party Transactions

Scenario: Fundify considers using a service provider owned by a director.

Conflict: Decision-making may be biased.

How Fundify Overcomes This:

- Independent procurement review
- Board-level approval with conflicted directors recused
- Competitive assessment documented

Example 10: Pressure From Introducing Brokers

Scenario: An introducing broker pushes Fundify to approve high-risk clients quickly to earn referral fees.

Conflict: Commercial pressure may override compliance standards.

How Fundify Overcomes This:

- Independent onboarding unit makes all decisions
- Enhanced due diligence on introducers
- Refusal to accept clients who do not meet requirements

VIII. Conflict Materiality Thresholds

Fundify classifies conflicts into three categories to determine escalation and management actions:

Low Materiality

Conflicts that pose minimal risk and can be fully mitigated using routine controls.

- Example: A non-monetary gift of nominal value.
Action: Managed by Compliance; no escalation required.

Medium Materiality

Conflicts that may influence decision-making if not properly controlled.

- Example: Staff member with an external business interest.
Action: Compliance investigation + Senior Management notification.

High Materiality

Conflicts that pose a significant risk of client harm or regulatory impact.

- Example: Preferential treatment to major clients; liquidity provider inducements.
Action: Mandatory escalation to Senior Management and the Board; may require declining to act.

IX. Conflicts of Interest in Outsourcing Arrangements

Fundify relies on outsourced service providers (e.g., trading platforms, liquidity bridges, CRM systems, IT vendors). Conflicts may arise when third-party providers have commercial interests that could influence Fundify's operations.

Potential Conflicts

- A platform provider encouraging specific trade routing.
- An outsourced compliance vendor reviewing its own work.
- Technology providers influencing execution logic.

How Fundify Overcomes These Conflicts

- Independent due diligence before onboarding any provider.
- Ongoing performance and conflict monitoring.
- Clear contractual provisions preventing providers from influencing client execution.
- Separation of duties between outsourced support and Fundify's compliance/risk oversight.
- Annual outsourcing risk assessments.

X. Management Information (MI) Reporting

Compliance prepares the following MI reports:

- **Quarterly conflicts report** to Senior Management.
- **Annual conflicts assessment** to the Board.



- **Trend analysis** of recurring conflicts.
- **Review of high-risk conflicts** and mitigation effectiveness.

The Board is responsible for ensuring the MI is reviewed and acted upon.

XI. Board Attestation

The Board of Directors confirms it:

- Oversees the conflicts management framework,
- Reviews conflicts reports at least annually,
- Ensures adequate systems, staffing, and controls are in place,
- Has ultimate accountability for conflict governance.

XII. Disclosure of Outside Business Interests

All staff must declare any external employment, directorships, partnerships, or commercial engagements **prior to accepting or continuing such roles**. Annual declarations are mandatory.

XIII. Removal From Duty

Fundify may remove staff from tasks, accounts, or transactions where their involvement introduces a conflict.

XIV. Annual Undertaking

All employees must sign an annual statement confirming ongoing compliance with this Policy.

XV. Training

Fundify provides:

- Induction training for new employees
- Annual training on conflicts, ethics, AML/CFT, anti-bribery, and conduct
- Additional training as needed

XVI. Reporting Conflicts

Employees must report conflicts **immediately** to the Compliance Officer. Reports must include:

- Names of involved parties
- Nature of the conflict
- Actual or potential status
- Departments or roles affected



XVII. Review of Conflicts

The Compliance Officer will:

- Log the conflict
- Assess severity
- Determine whether further action or escalation is needed
- Escalate complex or sensitive conflicts to the Board

XVIII. Disclosure to Clients & Informed Consent

Where appropriate, Fundify may seek written "Informed Consent" from clients. The Firm will only proceed where:

- It is in the client's and Fundify's best interests
- The law permits it
- The client receives full disclosure in writing

XIX. Declining to Act

If a conflict cannot be managed or disclosed adequately, Fundify will refuse to proceed.

XX. Record Keeping

Fundify maintains a **Conflicts of Interest Register** recording:

- Actual and potential conflicts
- Parties involved
- Nature and category of conflict
- Mitigation steps taken

Records are retained for **at least seven (7) years**.

XXI. Further Information

This policy is reviewed annually or earlier if regulatory or business changes require it. Questions should be directed to the Compliance Officer.

Appendix 1 – Declaration of Compliance

Conflicts of Interest Annual Declaration

I, _____ (name), in my capacity as _____ (role/department) at **Fundify Limited**, hereby confirm the following:

1. Understanding of the Policy

I confirm that I have read, understood, and agree to comply with Fundify's **Conflicts of Interest Policy**.

2. Disclosure of Conflicts

I confirm that:

- I have disclosed all actual, potential, or perceived conflicts of interest to the Compliance Officer; **OR**
- I have no conflicts of interest to declare at this time.

(Please tick one):

- I have *no* conflicts to declare.
- I have conflicts to declare (details below).

Details of Conflict(s) (if applicable):

3. Outside Business Interests

I confirm that:

- I have disclosed all outside business interests, directorships, partnerships, or external employment; **OR**
- I have no outside business interests to declare.

(Please tick one):

- I have *no* outside interests to declare.
- I have outside interests to declare (details below).

Details of Outside Interests (if applicable):

4. Personal Account Trading (PA Dealing)

I confirm that I have complied with Fundify's PA Dealing rules and have sought pre-approval for all relevant trades.



5. Gifts and Hospitality

I confirm that any gifts or hospitality received or offered have been declared in accordance with Fundify's Gifts & Hospitality requirements.

6. Commitment

I agree to:

- Act at all times in the best interests of Fundify and its clients.
- Avoid any actions or relationships that could give rise to conflicts.
- Immediately disclose any new conflicts that arise during the year.

7. Signature

By signing this declaration, I certify that the information provided is accurate and complete to the best of my knowledge.

Employee Name: _____

Signature: _____

Date: _____

Compliance Officer Review:

Name: _____

Signature: _____

Date: _____

[Declaration section following your original structure will be placed here]