

Conflicts of Interest Policy

CAPITAL COM MENA SECURITIES TRADING L.L.C

Incorporation number: 1193262
SCA Licence number 20200000176

1. About us

Capital Com Mena Securities Trading LLC (hereinafter referred to as “**the Company**” or “**Capital.com**”) is a limited liability company with company number 1994695 and registered in Dubai, United Arab Emirates, and authorised by the Securities and Commodities Authority (hereafter referred to as “**SCA**”) with license number 20200000176 . The Company’s registered office is at Jumeirah Emirates Towers, Emirates Towers Offices, Level L14, Unit 14C, Dubai, UAE.

2. Purpose of the Policy

The Company, in its capacity as a SCA licensed Company and in accordance with the relevant Law and regulations is required to take all appropriate steps to detect and avoid conflicts of interest, as well as to disclose to the Prospective Client or the Client the existence of any personal interest in any service provided.

The purpose of the Conflicts of Interest Policy (the “Policy”) is to outline an appropriate approach and response to the identification and management of conflicts of interest, the Company’s measures for preventing the rise of such conflicts of interest as well as managing conflicts of interest which may arise during the course of its normal business activities.

The Company is committed to act honestly, fairly and professionally and in the best interests of its Clients and to comply, in particular, with the principles set out in Applicable Law when providing investment services and other ancillary services related to such investment services.

The Company will take all reasonable steps to identify conflicts of interest between itself, including its managers, employees or any person directly or indirectly linked to the Company by control and its clients or between one client and another that arise in the course of providing any investment services.

The Company maintains and operates effective organizational and administrative arrangements to prevent and manage conflicts of interest that

may arise during the provision of any investment services, from adversely affecting the interests of its clients. In case where, the aforementioned arrangements are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the clients will be prevented, the Company shall clearly proceed with the disclosure of such conflict. The said disclosure shall be done in a durable medium indicating the general nature and source of conflicts of interest, the risks to the client with sufficient details so as to allow the client to take an informed decision with regards to its investment as well as the steps taken to mitigate such risks.

The Company has the right to amend the current Policy at its discretion and at any time it considers is suitable and appropriate. The Company shall review and amend ,as necessary, the current policy at least on an annual basis to take account of changes to operations or practices and, further, to make sure it remains appropriate to any changes in law, technology and the general business environment.

The Company shall not undertake an investment transaction in which it has a material interest without the client's prior knowledge.

For the purpose of this Policy, a "Relevant Person", in relation to the Company means any of the following:

- a director, partner or equivalent or manager of the Company;
- an employee of the Company , as well as any other natural person whose services are placed at the disposal and under the control of the Company who is involved in the provision of investment services and activities;
- a natural person who is directly involved in the provision of services to the Company under an outsourcing arrangement for the purpose of the provision by the Company of investment services and activities.

3. Identification of Possible Conflicts of Interest

To adequately manage conflicts of interest, the Company shall identify all relevant conflicts in a timely manner. The Company will employ different mechanisms to ensure that all conflicts are identified. This includes procedures to maintain appropriate independence between members of our staff who are involved in different activities, for example, through the operation of information barriers, physical separation of staff, the segregation of duties and responsibilities and maintenance of a policy of independence which requires our staff, when providing services to a client, to act in the best interests of the client and to disregard any conflicts of interest; and, in some circumstances declining to act for a client or potential client.

The Company shall identify all conflicts of interest, their severity and document controls to mitigate the conflicts. It is not possible to list all situations which could constitute a conflict. The facts of each situation will determine whether the interest in question is such as to bring it within the area of potential conflict.

All employees, including management, will be responsible for identifying specific instances of conflict and required to notify the Compliance function of any conflicts they become aware of. The Compliance Officer (the "CO") will assess the implications of the conflict and how the conflict should be managed in conjunction with the Board of Directors. In the case where a specific incident to be reported concerns the CO, the notification shall be made to the Company's Board of Directors.

It is of most importance that the members of the Board of Directors have a duty to avoid to the extent possible activities that could potentially create conflicts of interest. For that purpose, the following actions are in place in order to minimize the possibility of creating conflicts of interest:

- a member's duty to notify BOD prior the involvement to an activity e.g. serving on another management body that could raise contribute to conflict of interest
- a member's duty to promptly disclose any matter that may result, or has already Resulted, in a conflict of interest
- a member's duty to abstain from voting on any other matter where the member may have a conflict of interest or where the member's

objectively or ability to properly fulfil duties to the directorship may be otherwise compromised.

For the purposes of identifying the types of conflicts of interest that arise in the course of providing investment services and whose existence may damage the interests of a client, the Company takes into account, by way of minimum criteria, the question of whether the Company or a Relevant Person, or a person directly or indirectly linked by control to the Company, is in any of the following situations, whether as a result of providing investment services or activities is in a position to exploit a professional or official capacity in some way for either corporate or personal interest:

- when the Company accepts Client order in Contracts for Difference (“**CFD**”), the Company will be dealing in the CFD concerned as principal for the Company’s account
- the Company may be matching the Client’s Order with that of another Client by acting on such other Client’s behalf as well as on the Client’s behalf
- the Company or a Relevant Person is likely to make a financial gain, or avoid a financial loss, at the expense of the client
- the Company or a 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
- the Company or a Relevant Person has a financial or other incentive to favor the interest of another client or group of clients over the interests of the client
- the Company or a Relevant Person carries on the same business as the client, and
- the Company or a 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.

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:

- between the client and the Company.
- between two clients of the Company.
- between the Company and its employees.
- between a client of the Company and an employee/manager of the Company.
- between the Company's Departments

4. Managing Conflicts of Interest

The Company has established suitable and adequate internal procedures for identifying and mitigating any potential conflicts of interest. The Company's compliance department, an independent unit within the Company, is responsible to monitor any possible deviation from the Company's internal policies and procedures as well as identifying and managing any possible conflicts of interest. Once a conflict has been identified it needs to be appropriately and adequately managed and in a timely manner. The Compliance function will assess each conflict and determine if the conflict is actual or perceived and what the value of the conflict or exposure is and the potential risk. If Compliance decides that the particular conflict can be mitigated, then controls to manage the conflict should be put in place and documented.

The Company will manage conflicts of interest fairly, between itself and its clients, between itself and its employees and between its customers and will organise and control their internal affairs responsibly and effectively.

The Company and its employees should act as per the principle of placing clients' interests before self-interests and Company's interests in order to avoid conflicts of interest in the fulfillment of professional activities on the securities market. To ensure client's fair treatment, the Company will introduce the following procedures:

- the Company shall avoid any conflict of interest with clients and, where such a conflict unavoidably arises, ensure fair treatment to the client by complete disclosure or by declining to act.

- Personal Account Dealing requirements applicable to Relevant Persons in relation to their own investments.
- if the Company has a material interest in a transaction to be entered into with or for a client, or a relationship which gives rise to a conflict of interest in relation to the transaction, the Company shall not knowingly either advise, or deal in the exercise of discretion, in relation to that transaction. The only exception is when the Company has fairly disclosed that material interest or relationship, as the case may be, to the client or the client has taken reasonable steps to ensure that neither the material interest nor relationship adversely affect the interests of the client.
- there is a clear distinction between the different departments' operations as these are described in the Company's Internal Operations Manual.
- the Company shall be informed promptly of any personal transaction entered into by a Relevant Person, either by notification of that transaction or by other procedures enabling the Company to identify such transactions. In the case of outsourcing arrangements, the Company shall ensure that the Company to which the activity is outsourced maintains a record of personal transactions entered into by any Relevant Person and provides that information to the Company promptly on request.
- a person shall be replaced by another person in his/her duties only prior consent of the CO and approval by a Director of the Company. Such a consent will be given by the CO after all issues of possible conflict of interest have been reviewed.
- the security features of the Company's software prevents unauthorized access to sensitive information in order to benefit the Company over its clients or one client over another.
- the Company's employees are prohibited from investing in securities for which they have access to non-public or confidential information.
- the Company must take reasonable steps to ensure that neither it nor any of its employees or agents either offers or gives, or solicits or accepts, any inducement that is likely to conflict with any duties owed to its clients.
- no employee shall either knowingly or recklessly make a statement, promise or forecast that is misleading, false or deceptive to any customer or conceal material facts at any time.

More specifically, the Company states some of the policies and procedures that it has implemented for managing possible conflicts of interest below:

- effective procedures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out investment services or activities.
- 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 Company.
- measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate investment services or activities where such involvement may impair the proper management of the conflicts of interest.
- 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.
- measures to prevent or control the exchange of 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.

The procedures followed and measures adopted in the Policy include the following, as are necessary and appropriate for the Company to ensure the requisite degree of independence:

- no relevant person may purchase or sell a security or cause the purchase or sale of a security for any account while in possession of inside information relating to that security.
- no relevant person may recommend or solicit the purchase or sale of any security while in possession of inside information relating to that security.
- no relevant person may purchase or sell or cause the purchase or sale of a security for an employee or employee-related account or a proprietary account of the Company or an account over which an employee exercises investment discretion, while in possession of proprietary information concerning a contemplated block transaction in

the security or for a customer account when such customer has been provided such information by any relevant person.

- procedures set for regular review and monitoring of the execution arrangements with the execution venue, hedging/ liquidity or price providers as well as on a continuous basis.
- procedures in regards to the monitoring of access to electronic data.
- Relevant persons engaged in research activities should not discuss unreleased information, opinions, recommendations, or research analysis in progress with Company associated persons engaged in sales activities, or any person within or outside the Company who does not have a valid business need to know the information.
- establishment of an ongoing monitoring program based on which regular checks are conducted for the assessment of the Company's procedures, policies and internal controls.
- the Company may distribute marketing communication to its clients, only if the said communication is reviewed and approved by the CO prior to distribution. The CO also ensures that such communication has the appropriate disclosure statement as well as meeting the relevant definition of marketing communication.
- the four-eye principle is implemented to avoid any abuse of position.
- in order to minimize the relevant person's own transactions, personal account dealing restrictions are in place.

The Company is committed to having an effective and appropriate compliance culture to enable it to deal with any new potential conflicts of interest which may arise in the future. The Company's employees are therefore required to monitor any new circumstances giving rise to potential conflicts of interest and to implement appropriate measures to address these.

For the purpose of this Policy, a "personal transaction" is considered a trade in a financial instrument effected by or on behalf of a relevant person, where at least one of the following criteria are met:

- the Relevant Person is acting outside the scope of the activities he/she carries out in his professional capacity.
- the trade is carried out for the account of any of the following persons:
 - the relevant person;

- o any person with whom he has a family relationship, or with whom he has close links;
- o a person in respect of whom the relevant person has a direct or indirect material interest in the outcome of the trade, other than obtaining a fee or commission for the execution of the trade.

Segregation of Company's assets from clients' assets

The Company shall maintain separate accounting records between its own assets and those of its clients to facilitate the protection of clients' assets and the prevention of the use of customer assets by the Company or by other third parties so as to minimise the risk of the loss or diminution of client assets, or of rights in connection with those assets, as a result of misuse of the assets, fraud, poor administration, inadequate record-keeping or negligence. In addition, the Company has legally secure segregation of clients' assets from the Company's assets in case the Company becomes bankrupt. For this purpose, the Company maintains separate books and accounting records for each client.

Forbidden Business Practices

The Company shall prohibit those business practices which in the regular course of events might give rise to conflicts of interest. The following business practices shall indicatively be forbidden:

- the provision to clients of investment services for the purpose of influencing the price of financial instruments for the benefit of the Company or for the benefit of any relevant persons, or of Company's clients in general, especially with regard to transactions that the Company or relevant persons intend to carry out prior to or after the provision of the service.
- the use by the Company or by its relevant persons of information regarding client transactions, for the benefit of the Company, and the disclosure of such information to third parties.
- dealing by the Company itself or by any Relevant Persons in financial instruments in respect of which the Company has drawn analysis reports or has made research findings prior to the publication of the respective reports and findings.

- the preferential treatment of relevant persons to the detriment of its clients in the course of the provision to them of investment services.
- the carrying out of transactions by relevant persons for their own account or for the account of persons related to them on the basis of confidential information that the above persons have obtained in the course of their employment with the Company.

All employees must be aware of the above forbidden business practices, and shall have the responsibility of informing the CO immediately in case they monitor any violation of the above provisions.

Should you have any questions in relation to the Company's Conflicts of Interest Policy, please contact us through support@capital.com.

5. Disclosure of Conflicts of Interest

In case where, the organisational and administrative arrangements established by the Company to prevent or manage a conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the clients will be prevented, the Company shall clearly proceed with the disclosure of such conflict.

Prior to carrying out a transaction or providing an investment service to a client, the Company should disclose any actual or potential conflict of interest to the client provided that the measures taken by the Company are not sufficient to ensure that the risks of damage to the interests of the client will be avoided.

The above disclosure shall include sufficient detail, taking into account the nature of the client, source of conflicts of interest, the risks to the client to enable him to take an informed decision with respect to the investment service in the context of which the conflict of interest arises. The Company reserves the right not to proceed with the transaction or matter giving rise to the conflict if such disclosure is not sufficient to manage a conflict.

The Management and employees of the Company should disclose the following information to the CO:

- Opening and closing personal accounts at any other Broker for own investments purposes.

- All personal transactions performed. Notification should be provided within 24 hours.
- Securities held by the employee.
- Transactions executed by the Company in which the employee may have an interest or a conflict.

The Client acknowledges and understands that the Company has the right to determine the most appropriate and fit way to manage situations of conflicts of interest in accordance with the best interests of the Client, the nature and risks involved.

6. Record Keeping

The Company must keep and regularly update a written record of the kinds of ancillary services or activities carried out by or on behalf of the firm in which a conflict of interest entailing a material risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service or activity, may arise. These records will be for a minimum period of 10 years from the date of creation and are maintained on an ongoing basis by the Compliance Officer.

7. Amendments and Review

The Company has the right to amend the current Policy at its discretion at any time it considers is suitable and appropriate. The Company shall review and amend the current Policy at least on an annual basis.