

CC KENYA SECURITIES LTD

Conflict of Interest Policy

1. INTRODUCTION

CC KENYA SECURITIES LTD (hereinafter the “**Company**”, “**we**”, “**Capital Com**”, “**Capital.com**”) is a Company registered in Kenya under the Companies Act under registration number PVT-RXUMQ5KL. The Company is licensed and regulated by the Capital Markets Authority of Kenya under license number 244. The address is Sanlam Tower, 6th Floor, Suite 613, Waiyaki Way, Westlands District, Nairobi County, Kenya, P.O. Box 12189, G.P.O Nairobi.

The purpose of this Conflicts of Interest Policy (the “**Policy**”) is to outline a suitable approach and response to the identification and management of conflicts of interest. This Policy is adopted in accordance with the Capital.com Group Conflicts of Interest Policy and Framework and implements the Group minimum standards at local entity level. Where local legal or regulatory requirements are more stringent, those requirements shall prevail. 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, its affiliates and third parties and its clients or between one client and another that arise in the course of providing any investment services or related ancillary activities.

The Company maintains and operates effective organizational and administrative arrangements to prevent and manage conflicts of interest **(whether actual, potential or perceived)** that may arise during the provision of any investment services, **including conflicts inherent in the Company’s business model, distribution arrangements, pricing, execution, outsourcing and use of technology,** 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 as a measure of last resort. 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 or continued

relationship with the Company as well as the steps taken to mitigate such risks.

The Company has the right to amend the current Policy subject to approval by its Board of Directors or equivalent governing body 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. In case of any amendment, the Company shall notify the Capital Markets Authority where required under applicable Kenyan regulatory requirements prior to or following any changes made within the Policy, as applicable.

2. IDENTIFICATION OF POTENTIAL CONFLICTS OF INTEREST

To adequately manage conflicts of interest, the Company shall identify all relevant conflicts on an ongoing and proactive basis. The Company will employ different mechanisms to ensure that all conflicts are identified, including employee disclosures, governance reviews, product and distribution approvals, third-party due diligence, monitoring activities and incident or complaint analysis.

The Company shall identify all conflicts of interest, classify them as actual, potential or perceived, assess their materiality and severity, and document appropriate organisational and administrative 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, taking into account the nature of the Company's business model and regulatory obligations.

All employees, including management, will be responsible for identifying specific instances of conflict and are required to notify the Compliance function without delay 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 accordance with this Policy, the Capital.com Group Conflicts of Interest Policy and Framework, and applicable Kenyan regulatory requirements, and shall escalate material conflicts to senior management and the Board as appropriate. In the case

where a specific incident to be reported concerns the CO, the notification shall be made to the Company's Representative Officer, Board of Directors or an independent senior officer designated by the Board.

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:

- 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 favour 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;
- 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 Company acts as principal and counterparty to client transactions, including where pricing, spread-setting, execution, hedging or risk-management decisions may give rise to inherent or structural conflicts of interest;
- The Company relies on third parties, outsourced service providers, technology vendors, affiliates, introducers or other partners whose incentives, interests or access to information may conflict with client interests.

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

- a director (both executive and non-executive), 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;
- **any other person whose activities, incentives or influence could reasonably be expected to affect the Company's independence, decision-making or fair treatment of clients.**

3. MANAGING CONFLICTS OF INTEREST

The Company has established suitable and adequate internal procedures for minimising any potential conflicts of interest. The Company maintains a compliance function that is an independent second-line control function within the Company. Among the duties of the CO is to monitor any possible deviation from the Company's internal policies and procedures the Capital.com Group Conflicts of Interest Policy and Framework, as well as identifying, assessing and managing any possible conflicts of interest. Once a conflict has been identified, it must be appropriately and adequately managed in accordance with its nature, materiality and potential impact on client outcomes.

The Compliance function will assess each conflict and determine whether the conflict is actual, potential or perceived, its materiality, the regulatory, client-outcome, financial, operational and reputational risks, and whether the conflict can be prevented or mitigated to an acceptable level. Compliance will then decide whether it is viable to proceed with the relevant activity, subject to escalation where required, or whether the conflict is too severe and must be declined or ceased. If Compliance determines that the conflict can be mitigated, proportionate controls to manage the conflict shall be put in place, documented, monitored on an ongoing basis, and recorded in the Conflicts of Interest Register.

The Company will manage conflicts of interest fairly, between itself and its clients, between itself and its employees, between different clients, and between Group entities or third parties where applicable, and will organise and control its 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 fulfilment 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 through effective mitigation controls, and only where mitigation is insufficient, through disclosure as a measure of last resort, or by declining to act.
- Employees are prohibited from maintaining investor accounts with other brokers without the Company's prior written authorisation and are obliged to disclose such accounts to the Company. Employees must also authorise the Company to request transaction reports from such brokers where required for monitoring and regulatory purposes.
- 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, unless permitted by applicable law and approved in accordance with this Policy, and only where the conflict has been appropriately mitigated and, where required, disclosed to the client.
- 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 in their duties or recused from decision-making only with the prior consent of the CO and approval by senior management or the Board, as applicable, following review of all potential conflicts of interest.
- The security features of the Company's software prevent 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.
- A record shall be kept of the personal transaction notified to the Company or identified by it, including any authorisation or prohibition in connection with such a transaction.
- 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 the organisational and procedural controls that it has implemented for managing possible conflicts of interest below:

- Effective procedures are in place to prevent or limit any person from exercising inappropriate influence over the manner in which a relevant person carries out investment services or activities.
- Relevant persons whose principal functions involve activities or services that may give rise to conflicting interests are subject to appropriate and proportionate independent supervision.
- Measures are applied 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 conflicts of interest.
- Remuneration arrangements are structured to avoid any direct link between the remuneration of relevant persons engaged in one activity and the remuneration of, or revenues generated by, relevant persons engaged in another activity where a conflict of interest may arise.
- Information barriers and access controls are implemented to prevent or control the exchange of information between relevant persons engaged in activities involving a risk of conflict where such exchange may harm the interests of one or more Clients.

The procedures followed and measures adopted in the Policy include the following, to the extent necessary and proportionate to ensure an appropriate degree of independence:

- No relevant person may purchase or sell a financial instrument, or cause the purchase or sale of a financial instrument, for any account while in possession of inside or price-sensitive information relating to that instrument.
- No relevant person may recommend, solicit, or induce the purchase or sale of any financial instrument while in possession of inside or price-sensitive information.
- No relevant person may purchase or sell, or cause the purchase or sale of, a financial instrument for an employee-related account, a proprietary account of the Company, or an account over which the relevant person exercises discretion, while in possession of confidential or proprietary information relating to a contemplated transaction or client order.
- Execution arrangements, including interactions with execution venues, hedging counterparties, liquidity providers, or pricing sources, are subject to ongoing review and monitoring to ensure fair client outcomes.
- Access to electronic systems and data is controlled, logged, and monitored to prevent unauthorised access or misuse of information.
- Relevant persons engaged in research or analytical activities are prohibited from discussing unpublished or non-public information, opinions, recommendations, or analyses with persons engaged in sales or other functions, or with any person who does not have a legitimate business need to know such information.
- An ongoing monitoring programme is maintained through which periodic and ad-hoc reviews are conducted to assess the effectiveness of the Company's controls and arrangements for managing conflicts of interest.
- Marketing communications may be distributed to Clients only following compliance review and approval to ensure that such

communications are fair, clear, not misleading, and include appropriate disclosures where required.

- The four-eye principle is applied in relevant processes to reduce the risk of error, abuse of position, or inappropriate influence.
- Restrictions and controls are applied to personal transactions to minimise the risk of conflicts between personal interests and Client interests.

The Company is committed to maintaining an effective and appropriate compliance culture to enable it to identify, manage, and address new or emerging conflicts of interest. Employees are required to remain alert to circumstances that may give rise to conflicts and to promptly escalate such matters for assessment and appropriate action.

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 activities carried out in their professional capacity;
- the trade is carried out for the account of any of the following persons:
 - o the relevant person;
 - o a person with whom the relevant person has a family relationship or close personal link; or
 - 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 the receipt of a standard fee or commission.

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 Client assets and to prevent the use of Client assets by the Company or third parties. These arrangements are designed to minimise the risk of loss, misuse, fraud, poor administration, inadequate record-keeping, or negligence.

Client assets are segregated from the Company's assets through legally effective arrangements, including separate books and records for each Client, to ensure protection in the event of the Company's insolvency.

Forbidden Business Practices

The Company prohibits business practices that, in the ordinary course of events, are likely to give rise to conflicts of interest. Without limitation, the following practices are prohibited:

- Providing investment services with the purpose or effect of influencing the price of financial instruments for the benefit of the Company, a relevant person, or a group of Clients, particularly in connection with transactions that the Company or relevant persons intend to undertake.
- Using information relating to Client transactions for the benefit of the Company or relevant persons, or disclosing such information to third parties without lawful justification.
- Dealing by the Company or relevant persons in financial instruments in respect of which analysis or research has been prepared prior to its public dissemination.
- Affording preferential treatment to relevant persons to the detriment of Clients in the provision of investment services.
- Carrying out transactions for personal or related accounts on the basis of confidential information obtained in the course of employment or professional duties.

All employees are required to be aware of these prohibited practices and must immediately notify Compliance upon becoming aware of any actual or suspected breach.

Queries relating to this Conflicts of Interest Policy should be directed to the Company's Compliance function.

4. 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 as a measure of last resort.

Prior to carrying out a transaction or providing an investment service to a client, the Company shall disclose any actual, potential or perceived conflict of interest to the client only where 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 through prevention or mitigation alone.

The above disclosure shall include sufficient detail, taking into account the nature of the client, the source and nature of the conflict of interest, the risks to the client, and the mitigation measures applied, to enable the client to take an informed decision with respect to the relevant investment service. Disclosures shall be clear, fair and not misleading, provided in a durable medium, and approved by the Compliance function prior to issuance. The Company reserves the right and obligation not to proceed with the transaction or matter giving rise to the conflict where disclosure alone is insufficient to protect client interests or meet regulatory expectations.

Disclosure shall not be used as a substitute for effective conflict management and shall not permit a conflict to continue solely for commercial reasons. All disclosures shall be documented and recorded in the Conflicts of Interest Register.

The Management and employees of the Company should disclose the following information to the CO **promptly and in accordance with applicable procedures:**

- Opening and closing personal accounts at any other Broker for own investments purposes;
- All personal transactions performed. Notification should be provided without delay and no later than 24 (twenty-four) hours;
- Securities held by the employee where required under personal account dealing controls;
- Transactions executed by the Company in which the employee may have an interest or a conflict or which could reasonably give rise to a perceived conflict of interest.

Failure to make timely and complete disclosures may result in disciplinary action and, where applicable, regulatory escalation in accordance with the Company's escalation and breach management procedures.