

# SUMMARY OF CONFLICTS OF INTEREST POLICY - Version 1.0

## 1. Introduction

**TC Limited** (hereinafter the “**Company**”), whose headquarters are at Suite 305, Griffith Corporate Centre, Beachmont – P.O. Box 1510, Kingstown, is authorized and regulated by the Saint Vincent and the Grenadines (hereinafter “**SVG**”).

This document sets out Company’s policy to effectively manage any conflicts of interest that may arise in carrying on its business. This conflict of interest policy (hereinafter the “**Policy**”) is established in accordance with the Saint Vincent and the Grenadines Regulated Markets Law aiming to enable the Company to 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, or combinations thereof, including those caused by the receipt of inducements from third parties or by the Company’s own remuneration and other incentive structures.

The Company must maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to prevent conflicts of interest from adversely affecting the interests of its clients. The Company is committed to act honestly, fairly and professionally with ultimate purpose the best interests of its clients (hereinafter referred to as ‘**Client**’, ‘**you**’, ‘**your**’ as appropriate).

Senior management is responsible for ensuring that the Company’s systems, controls and procedures are adequate to identify and manage conflict of interest. It is also responsible to ensure that all the arrangements made under this policy operate effectively.

## 2. Objectives

The conflict of interest policy aims to ensure that the Company’s clients are treated fairly and at the highest level of integrity and that their interest are protected at all times. It also aims to identify conflicts of interest between:

- a) The company and a Client;
- b) A relevant person and a Client;
- c) A company of the Group and a Client;
- d) Two or more Clients of the Company in the course of providing services to these Clients;

and to prevent conflicts of interest from adversely affecting the interest of its Client.

## 3. Application

The Policy applies to all its directors (whether Executive or Non-Executive), employees and any persons directly or indirectly linked to the Company (hereinafter called “**relevant persons**”) and refers to all interactions with all Clients.

## 4. Conflicts of Interest Policy

Company’s Conflicts of Interest Policy sets out how:

- a) The Company will identify circumstances which may give rise to conflicts of interest entailing a material risk of damage to its Clients’ interests.

- b) The Company has established appropriate mechanisms and systems to manage those conflicts, and
- c) The Company maintains systems designed to prevent damage to its Clients' interests through identified conflicts.

In any event the Company will adopt all expedient measures in order to ensure that the customer wishes the conclusion of the transaction, notwithstanding the conflict of interest disclosed to him.

## 5. Identifying and Managing Conflicts of Interests

The Company takes adequate steps to properly identify Conflicts of Interest. For the purposes of identifying the types of conflict of interest that arise in the course of providing investment and ancillary services or a combination thereof and whose existence may damage the interests of a client, the Company takes into account 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 or ancillary services or investment activities or otherwise:

- a) The Company or a relevant person 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 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;
- c) The Company or a relevant person has a financial or other incentive to favour the interest of one Client over another;
- d) The Company or a relevant person carries on the same business as the Client;
- e) The Company or a relevant person receives from a person other than a Client an inducement in relation to a service provided to a Client, in the form of monies, goods or services, other than the standard commission or fee for that service;
- f) The Company may have an interest in maximizing trading volumes in order to increase its commission revenue, which is inconsistent with the Client's personal objective of minimizing transaction costs;
- g) Any market information, training and discussions as regards possible market trends should not be construed as trading/investment advice or investment research. It is the Client's responsibility to perform their own market research before entering into any position;
- h) 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;
- i) The Company's bonus scheme may award its employees based on the trading volume etc.;
- j) The Company or a Related Person may receive goods, services or other inducement in addition to the standard commission or fee charged in respect of a service provided to the client;

The Company establishes implements and maintains effective organisational and administrative procedures to manage and prevent any identified conflicts of interest which may damage the interests of the clients according to the size and organisation of the Company, the nature, scale and complexity of its business. The procedures are ongoing monitored and reviewed to ensure that the internal controls are appropriate and therefore to implement corrective measures if any loopholes are identified.

In general, the procedures we follow and measures we adopt in order to manage such conflicts of interests to ensure the necessary degree of independence include the following:

- a) Effective procedures 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;

- b) 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;
- c) 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;
- d) 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;
- e) Measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest.
- f) The establishment and implementation of remuneration policies and practices that comply with the provisions of relevant legislation, in relation to conflicts of interests.

The Company has also in place arrangements to ensure that:

- There is a clear distinction between the different departments' operations;
- Pay and bonuses are linked to the profits of the Company or the business or department where an employee works and it is always avoided to be linked to the performance of another department, with possible conflicting interests;
- No single person will gather conflicting information, thus counterfeiting or hiding information from investors is minimized;
- The Company's employees are prohibited from investing in securities for which they have access to non-public or confidential information;
- There is 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;
- 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;
- Relevant persons are prohibited to 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;
- Relevant persons are prohibited to recommend or solicit the purchase or sale of any security while in possession of inside information relating to that security;
- Relevant persons are prohibited to 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;
- Transactions by the company's employees are neither performed nor executed by themselves, but by another member of staff of the company;
- Execution arrangements for obtaining the best possible result, "best execution" when executing client orders;

- Employees sign a confidentiality agreement. No associated person may disclose inside information to others, except disclosures made in accordance with the Company's policies and procedures, to other Company personnel or persons outside the Company who have a valid business reason for receiving such information;
- A “need-to-know” policy governing the dissemination of confidential or inside information within the Company;
- There are effective procedures in place to prevent or control the exchange of information (flow 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;
- Any person will be prevented from exercising inappropriate influence over the way in which a relevant person carries out investment or ancillary services or activities;
- Relevant information is recorded promptly in a secure environment to enable identification and management of Conflicts of Interests;
- Adequate records are maintained of the services and activities of the Company where a Conflict of Interest has been identified;
- Where necessary, Relevant Persons are subject to personal account transaction rules; (obliged to inform promptly the Company of all personal transactions)
- In certain jurisdictions appropriate disclosure may be made to the Client in a clear, fair and not misleading manner to enable the Client to make an informed decision;
- There is a periodic review of the adequacy of the Company’s systems and controls.
- Relevant persons engaged in different business activities involving a conflict of interest should carry on those activities at a level of independence appropriate to the size and activities of the Company and of the group to which it belongs, and to the materiality of the risk of damage to the interests of clients;
- There are effective arrangements designed to ensure a clear distinction between the different departments’ operations as these are described in the internal regulation and in the job description of each department’s officer. In this way it is secured that no single person will gather conflicting information, thus counterfeiting or hiding information from investors is minimized;
- No person should replace another person in his/her duties without the prior consent of the Compliance Officer and approval by the Executive Directors in accordance with Company’s Replacement policy. Such a consent will be given by the Compliance Officer after all issues of possible conflict of interest have been reviewed;
- 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;
- Effective procedures to ensure that the persons that produce marketing communications and/or marketing material comply will all provisions of this Policy in relation to conflict of interests that may arise from the performance of their duties. Before the publication of marketing communications and/or marketing material, they are being reviewed by the Compliance Officer for the purposes of verifying the accuracy of factual statements or for ensuring that they are in line with the Company’s marketing guidelines and requirements;
- Procedures governing access to electronic and/or in hard copy data and information.

- Material information will be confined only to persons who have a need to know that information in order to carry out their responsibilities.
- Segregation of duties that may give rise to conflicts of interest if carried on by the same individual;
- Employees should comply with all rules regulations and directives of the competent authorities;
- Employees should report to their supervisor any potential conflict of interest related to a proposed transaction.
- Employees should report to their supervisor any special relationship they or any related party might have with a proposed transaction that might affect their judgment.
- Employees should not trade on material non-public information. In the case that an employee holds material non-public information he must report it to the supervisor or the compliance officer and in such case the financial instrument will be placed either in the restricted list or the watch list.
- Establishment of in-house Compliance Department for performing ongoing monitoring to ensure that appropriate systems and controls for preventing and managing conflict of interests are maintained and are appropriately followed, and which reports to the Company's Board of Directors;
- Appointment of Internal Auditor to ensure that appropriate systems and controls are maintained, and who reports to the Company's Board of Directors;
- Establishment of the "four-eyes" principle in supervising the Company's activities.
- Company's employees will not accept any gifts other than those considered normal in their line of business.

## **6. Information barriers**

The Company respects the confidentiality of information it receives about its Clients and operates a "Need to Know" approach and complies with all applicable laws in respect of the handling of that information. Access to confidential information is restricted to those who have a proper requirement for the information consistent with the legitimate interest of a Client of the Company.

The Company has established and operates internal organisational arrangements to avoid conflicts of interest by controlling, managing or restricting as deemed appropriate the flow of confidential information between different areas of business or within a specific division or department. In particular, Chinese Walls are a key tool for conflict of interest prevention avoiding insider dealing and market manipulation risks. Wall-crossing is permitted only in specific conditions.

## **7. Policies and procedures**

The Company has developed and implemented policies and procedures throughout its business to prevent or manage potential conflicts of interests. Its employees receive guidance and training in these policies and procedures, and they are subject to monitoring and review processes.

## **8. Inducements**

The Company does not offer, solicit or accept any inducements, other than the following:

- (a) A fee, commission or non-monetary benefit provided to or by a client or a person on behalf of a client;
- (b) A fee, commission or non-monetary benefit provided to or by a third party or a person acting on behalf of a third party, under the following conditions:

- i. the fee, commission or benefit is disclosed to a client, prior to the provision of the relevant service; and
  - ii. it is designed to enhance the quality of the relevant service to a client and in line with Company's duty to act in the best interests of a client;
- (c) Proper fees for the provision of investment services, such as custody costs, settlement and exchange fees, regulatory levies or legal fees, and which cannot give rise to conflicts with Company's duties to act honestly, fairly and professionally in accordance with the best interests of its clients.

## **9. Disclosure**

Where Company's organisational or administrative arrangements are not sufficient to ensure, with reasonable confidence, that risks of damage to client interests will be prevented, the Company will either decline to act or, where confidentiality considerations permit, will disclose the general nature and/or sources of conflicts of interest to the client or potential client before undertaking business on its behalf, in order to enable that client to take an informed decision with respect to the investment or ancillary service in the context of which the conflict of interest arises.

The disclosure shall clearly state that the organizational and administrative arrangements established by the investment firm to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the Client will be prevented. The disclosure shall include specific description of the conflicts of interest that arise in the provision of investment and/or ancillary services, taking into account the nature of the Client to whom the disclosure is being made. The description shall explain the general nature and sources of conflicts of interest, as well as the risks to the Client that arise as a result of the conflicts of interest and the steps undertaken to mitigate these risks, in sufficient detail to enable that client to take an informed decision with respect to the investment or ancillary service in the context of which the conflicts of interest arise.

## **10. Amendment / review**

The Company reserves the right to review and/or amend its conflict of interest policy and arrangements whenever it deems appropriate. The Company shall review and amend, if needed, this policy at least on an annual basis. The Company maintains an updated copy of its conflicts of interest policy posted on its Website.

The Company shall assess and periodically review, on an at least annual basis, the conflicts of interest policy and shall take all appropriate measures to address any deficiencies. Over-reliance on disclosure of conflicts of interest shall be considered a deficiency in the Company's conflicts of interest policy.

## **11. Further information**

Further information on Company's Conflict of Interest Policy is available upon request from Company's offices at:

Email: [info@trusttc.com](mailto:info@trusttc.com) / [compliance@trusttc.com](mailto:compliance@trusttc.com)