

# CONFLICT OF INTEREST POLICY

xChief Central Asia Ltd.

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**Trade Responsibly:** Contracts for Difference (**CFDs**) are complex derivative instruments that are traded on margin (**Leveraged Products**). Margin trading carries a substantial degree of risk, as the use of leverage can significantly increase both potential gains and potential losses. Because of this, Leveraged Products may not be appropriate for every investor, and you should be aware that it is possible to lose the entire amount of your invested capital. You should never risk more than you can afford to lose. If you are uncertain whether trading is suitable for you, we recommend obtaining independent professional advice. Please take the time to read our **Risk Disclosure Notice** carefully for a full explanation of the risks associated with trading Leveraged Products.

## 1. PURPOSE AND PRINCIPLES

**1.1.** xChief Central Asia Ltd. ('xChief', the 'Firm', the 'Company', 'we') is committed to upholding the highest ethical and business standards and to full compliance with applicable laws, regulatory requirements, and industry best practice.

**1.2.** To that end, the Company has adopted this Conflicts of Interest Policy to ensure that actual and potential conflicts are identified, prevented or managed, and - where necessary - disclosed in a clear, fair and not misleading manner.

**1.3.** The Policy seeks to identify and prevent or manage conflicts of interest that may arise:

- a. between the Company (including its directors, officers, employees and any person directly or indirectly connected to it) and its clients; and/or
- b. between one client and another;
- c. including conflicts resulting from third-party inducements or from the Company's own remuneration and other incentive arrangements.

**1.4.** Specifically, this Policy:

- a. defines circumstances that constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of one or more clients; and
- b. sets out the procedures to be followed and the measures to be adopted to prevent or manage such conflicts.

## 2. IDENTIFICATION OF CONFLICTS OF INTERESTS

**2.1.** A conflict of interest arises where, in the course of providing investment and/or ancillary services, the interests of a client may be adversely affected to the advantage of the Company, a Relevant Person, or another client. The Company has a duty to act honestly, fairly and professionally in the best interests of its clients.

**2.2.** When identifying the types of conflicts of interest that may have a negative impact on a client, the Company considers whether it or a Relevant Person, in the course of providing investment and/or ancillary services, may alone or in combination do any of the following:

- a. make a financial gain, or avoid a financial loss, at the client's expense;
- b. have an interest in the outcome of a service provided to the client or of a transaction carried out on the client's behalf, which is distinct from the client's interest in that outcome;
- c. have a financial or other incentive to favour the interests of another client or group of clients over the interests of the client;
- d. carry on the same business as the client;
- e. receive, 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 monetary or non-monetary benefits or services.

**2.3.** The above circumstances are not exhaustive. The Company examines and assesses potential conflicts on a case-by-case basis and undertakes additional due diligence, where appropriate, to determine whether a particular situation constitutes a conflict of interest.

**2.4.** Conflicts of interest may arise, inter alia, between the following parties:

- a. between the client and the Company;
- b. between two clients of the Company;
- c. between the Company and its employees;
- d. between a client of the Company and an employee or manager of the Company;
- e. between the Company's departments.

### 3. MANAGING AND PREVENTING CONFLICTS OF INTEREST

To ensure an adequate degree of independence, the Company maintains the following organisational and administrative arrangements:

**3.1 Information Barriers.** Measures to prevent or control the exchange of confidential or inside information between Relevant Persons engaged in activities that involve a risk of conflict and could harm the interests of one or more Clients.

**3.2 Segregated Supervision.** Independent supervision of Relevant Persons whose primary functions involve providing services to Clients with potentially competing interests, including interests of the Company.

**3.3 Remuneration Neutrality.** Removal of any direct link between the remuneration of Relevant Persons principally engaged in one activity and the remuneration or revenues of other persons engaged in different activities where a conflict may arise.

**3.4 No Pay Linked to Client Performance.** Employees remuneration is not linked to individual Clients' performance or trading outcomes.

**3.5 Prevention of Undue Influence.** Restrictions to prevent any person from exerting inappropriate influence over how a Relevant Person delivers investment or ancillary services. Persons who determine or influence bonuses must not undermine the individual's independence of judgement.

**3.6 Role Separation and Controls Over Incompatible Functions.** Measures to prevent or control the simultaneous or sequential involvement of a Relevant Person in separate business lines where such involvement could impair proper conflict management, including:

- a. procedures governing the flow, classification and safeguarding of confidential/inside information;
- b. physical and organisational separation of departments; no unauthorised sharing of information between business units;
- c. procedures governing controlled access to electronic data and systems;
- d. segregation of duties for tasks that could give rise to conflicts if performed by the same individual;
- e. a Personal Account Dealing Policy covering disclosure/pre-clearance requirements for Relevant Persons' own investments;
- f. a Gifts, Hospitality and Inducements Register recording the solicitation, offer or receipt of benefits;
- g. prohibition of external business interests that conflict with the Company's interests, unless prior written approval of the Board of Directors is obtained;
- h. a policy limiting conflicts arising from the giving and receiving of inducements;
- i. an in-house Compliance Department to monitor the above, report to the Board, update procedures and ensure adherence;
- j. an Internal Audit function to assess the design and operating effectiveness of systems and controls and report to the Board.

**3.7 Ongoing Monitoring.** Continuous monitoring of business activities to ensure that internal controls remain appropriate.

**3.8 Immediate Reporting by Staff.** Relevant Persons must promptly notify the Compliance Department if they perceive that a conflict may arise in connection with a specific task or assignment; appropriate records will be created and maintained.

**3.9 Fair Treatment.** All Clients are to be treated fairly.

**3.10 Authorisations and Licensing.** All Company representatives hold, or are in the process of obtaining, any authorisations or licences required for performing and/or offering the relevant services and business activities.

**3.11. Residual Cases and Escalation.** Where a situation is not expressly covered above, the Compliance Department and/or Senior Management will determine the appropriate course of action in light of the nature of the conflict and will notify the Client as required.

**3.12.** The Company's employees shall ensure that all documents containing confidential information remain inaccessible to unauthorized individuals.

**3.13.** All employees are bound by professional confidentiality obligations, and any disclosure of confidential information is strictly limited to circumstances where such disclosure is deemed essential for the proper execution of professional duties.

**3.14.** Employees are required at all times to act with integrity, demonstrate loyalty to the Company, and comply fully with its internal policies and procedures.

**3.15.** Employees shall receive appropriate instructions and guidance to effectively identify, manage, and mitigate potential conflicts of interest.

**3.16.** Individuals providing investment services must hold the necessary professional certifications and competencies required to deliver such services.

**3.17.** The Company undertakes all reasonable measures to employ staff who demonstrate the highest standards of education, ethics, professionalism.

**3.18. Monitoring of Activities and Services.** The Company places particular emphasis on monitoring the activities and services it provides, ensuring that internal control mechanisms remain effective and proportionate. This is especially critical in cases where the Company, or any person directly or indirectly connected to it, engages in or influences two or more of the following activities:

**3.18.1. Personal Account Dealing.** The Company has implemented a comprehensive Personal Transactions Policy, applicable to all employees from the commencement of their employment. Employees are required to strictly comply with this policy, and all personal transactions in financial instruments executed by staff or related persons must be reported promptly to the Compliance Officer.

**3.18.2. Inside and Proprietary Information.** Employees who, in the course of performing their duties, gain access to inside or proprietary information must preserve its confidentiality and may only disclose it to other employees with a legitimate business need. Employees who believe they have received inside information from any source must immediately notify the Compliance Officer. Neither the Company nor its employees may use, disseminate, or otherwise disclose such information beyond its intended purpose.

**3.19. Receipt of Fees and Commissions.** The Company neither receives nor provides any fee, commission, or non-monetary benefit in connection with the provision of investment or ancillary services to clients, unless such benefit demonstrably enhances the quality of the relevant service delivered to the client.

**3.20.** A fee, commission, or non-monetary benefit shall be deemed permissible only if it is justified by the provision of an additional or higher-level service to the client, proportionate to the level of inducement received. Such services may include:

- a. Access, at a competitive price, to a broad range of financial instruments tailored to the client's investment needs. This may involve instruments from third-party providers with no close ties to the Company, combined with value-added services such as analytical tools or objective information resources enabling clients to make informed investment decisions, monitor their portfolios, and evaluate performance, costs, and charges associated with the instruments in which they have invested.
- b. It does not provide a direct benefit to the recipient firm, its shareholders, or employees without delivering tangible benefit to the relevant client.
- c. It is supported by the provision of an ongoing benefit to the client in relation to the inducement received.

**3.21. Remuneration of Staff.** The Company applies a carefully structured remuneration framework to ensure that staff incentives do not create conflicts of interest. Targets and performance metrics are designed to prevent situations where employees may act in a manner that disadvantages clients' interests in favour of the Company.

**3.22. Access to Electronic Data.** The Company enforces a strict security policy governing access to electronic data. Employees within one department are restricted from direct access to records or information relating to another department where such access is not required for the execution of specific tasks. Separate permissions and access rights are clearly defined and allocated to each department, ensuring confidentiality and operational integrity.

**3.23. Supervision and Segregation of Departments.** The Company ensures the proper supervision and segregation of functions that provide services to clients, particularly where potential conflicts of interest may arise between different business units, other clients, or the Company itself.

## 4. PERSONAL TRANSACTIONS AND CONFLICTS OF INTEREST

**4.1.** All Company employees engaged in investment activities must be fully aware of the restrictions governing personal transactions. Employees are strictly prohibited from entering into personal transactions that may result in the following:

- a. Engaging in any transaction of the Insider Dealing and Market Manipulation (Market Abuse).
- b. Misusing or improperly disclosing confidential information.
- c. Entering into a transaction that may conflict with the obligations of the Company or the employee, as prescribed by applicable law.

**4.2.** Where an employee comes into possession of information that is not publicly available or cannot reasonably be inferred from public information, they must refrain from executing personal transactions or trades, except in cases where such transactions occur in the ordinary course of market making, in good faith, or in the execution of unsolicited client orders on behalf of a third party, including the Company.

**4.3.** Employees must not disclose opinions outside the ordinary course of business if doing so could reasonably be expected to result in a prohibited transaction. Furthermore, employees are prohibited from providing advice or disclosing information outside the proper scope of their employment, particularly where it is apparent that the recipient of such information may use it to acquire or dispose of financial instruments.

**4.4.** All client orders received by employees of the Company must remain strictly confidential and may not be disclosed to third parties.

**4.5.** Where an employee becomes aware of a client order, they must not execute a personal transaction that mirrors the client's order if such an action would result in a conflict of interest.

## 5. REPORTING OF CONFLICTS OF INTEREST

**5.1.** If a potential conflict of interest is identified, the employee must immediately report the matter to their Line Manager to assist in assessing the materiality and potential risk of damage. A completed conflict of interest notification form must be submitted, containing sufficient detail to allow regulatory review, including:

- a. corrective and preventative measures taken;
- b. the reasoning behind the appropriateness of such measures;
- c. any conditions or restrictions imposed;
- d. confirmation of whether conflicts remain, how they are managed, and communication to the client;
- e. submission to the Head of Compliance for inclusion in reports reviewed by the Board of Directors.

## 6. DISCLOSURES

**6.1** Where organizational arrangements designed to prevent conflicts of interest are insufficient to reasonably ensure that client interests are protected, the Company shall, as a last resort, disclose to the client the general nature and sources of the conflict, together with the steps taken to mitigate associated risks. Such disclosure shall:

- a. be provided in a durable medium; and
- b. contain sufficient detail, taking into account the client's circumstances, to enable an informed investment decision.

**6.2** The disclosure shall explicitly state where internal controls and administrative arrangements are not adequate to fully eliminate risks, explaining the nature, source, and impact of the conflict, along with the measures adopted to mitigate such risks.

## 7. RECORD KEEPING

**7.1** The Company shall maintain and periodically update detailed records of all investment or ancillary services and activities that involve, or may involve, a material risk of conflict of interest adversely impacting one or more clients.

**7.2** All records will be maintained by the Compliance Officer. Any reportable matters must be promptly escalated to the Board of Directors without delay.

## 8. REVIEW OF THE POLICY

The Company reserves the right to review and amend this Policy at any time. At a minimum, the Policy will be reviewed annually and whenever deemed necessary by the Compliance Officer, Regulatory Authorities, or the Board of Directors.

## 9. CONTACT INFORMATION

For any questions or clarification regarding this Policy, employees or clients should contact the Company's Compliance Department at: **compliance@xchief.kz**.