

# CONFLICT OF INTERESTS POLICY

MEX DIGITAL UAE FZE  
VERSION 2 | 19 OCTOBER 2023

## Overview

MEX Digital UAE FZE ("**MEX**" or "**Company**") is a company incorporated in the Dubai World Trade Centre Freezone, United Arab Emirates ("**UAE**") whose business is a broker dealer and exchange and margin trading service provider in the virtual asset market space. The Company therefore undertakes 'exchange', 'broker dealer' and 'margin trading' services and is therefore licensed and regulated by the Virtual Assets Regulatory Authority ("**VARA**").

The Conflict of Interests Policy ("**Policy**") is aligned with all Rulebooks of the VARA and any other applicable laws and regulatory requirements in the UAE.

This Policy aims to ensure that MEX conflicts of interest are adequately managed, as required under law. The Policy is also modelled with the ethos of providing financial services efficiently, honestly and fairly. "Conflicts of interest" are circumstances where some or all of the interests of MEX's clients are inconsistent with, or diverge from, some or all of the interests of MEX's business and any other businesses under the licence.

Reference to clients includes both retail and professional clients.

MEX recognises that conflicts of interest may be addressed by:

1. controlling conflicts;
2. avoiding conflicts; and/or
3. disclosing conflicts.

The measures set out in this Policy demonstrate how MEX meets statutory and licensing requirements relating to:

- the requirement to do all things necessary to provide financial services efficiently, honestly and fairly
- have adequate arrangements for the management of conflicts of interest;
- compliance by the Licensee and its representatives with the financial services laws
- licence conditions
- assisting its advisers comply with the Code of Ethics (as defined below).

This Policy does not address:

- Director's conflicts outside of the provision of financial services
- Required wording for disclosure of conflicts in documents
- International legal obligations

## Responsibility

Courtney Fitzsimmons is responsible for overseeing this area ("**Responsible Person**").

## Avoiding conflicts of interest

MEX needs to ensure we provide all financial services efficiently, honestly and fairly. MEX shall use all reasonable efforts to avoid conflicts of interest. MEX needs to have in place adequate controls for the management of conflicts of interest arising from the financial services business of MEX and our financial advisers and representatives. Sometimes, the only way to deal with a conflict will be to avoid it altogether. Often, however, a conflict may be managed in other ways, such as by disclosing the conflict so the client is acting on a fully informed basis, or by arranging for another person, who is not conflicted, to provide the service.

When a member of the Board of Directors of MEX (the "**Board**") discloses to the Board that they have a material interest in a transaction, the remaining Board members must take appropriate action after

reviewing if the conflict may affect the objectivity of that member and/or their ability to perform company tasks properly.

In the event that MEX cannot avoid conflicts of interest after using all reasonable efforts, it shall ensure that such conflicts of interest are disclosed to its clients and such clients should be fairly treated by MEX. This includes implementing appropriate measures such as 'Chinese Walls' to separate MEX's staff into different teams.

### **Disclosure of conflicts**

If MEX, a member of the Board or any of its staff has an interest that may reasonably impair its objectivity which gives rise to an actual or potential conflicts of interest which cannot be avoided by MEX after using all reasonable efforts, MEX shall promptly disclose the nature of such conflict to its affected client and, to the extent that the affected client's interests can be sufficiently protected, manage and minimise such conflict by adopting appropriate measures.

There is also a requirement on providers of personal advice to retail clients to prioritise the interests of the client when providing advice. Many of these provisions relate only to retail clients. However, the general obligation to manage conflicts of interest applies to our financial services, regardless of to whom they are provided.

### **Treatment of Conflicts**

In the event that MEX cannot avoid conflicts of interest after using all reasonable efforts, MEX's clients should be fairly treated by MEX.

### **Code of Ethics**

MEX's code of ethics ("**Code of Ethics**") imposes obligations on individuals who are authorised to provide financial product advice to retail clients in relation to:

- acting in the client's best interests
- conflicts of interest or duty
- the client's understanding of the advice
- long term effects of the advice

This Policy will help you to comply with the conflicts of interest or duty requirements.

Where you are unable to appropriately manage a conflict of interest, you should not provide advice, or you may be in breach of the Code of Ethics. If in doubt you should contact the Responsible Person for guidance.

### **Record keeping requirements**

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Records of conflicts of interest will be kept for at least seven years. This includes:

- reports given to senior management;
- scripted oral disclosure;
- records of online disclosure (e.g., on a website);
- the Conflicts of Interest Register; and
- any other documentation relating to disclosure.

[Note: these documents can be stored electronically.]

Copies of file notes, compliance review feedback and any other documentation which relates to conflicts of interests, are to be kept together with the Conflicts of Interest Register in a ring binder (this can be stored either as a hard copy, electronic copy or both).

The Responsible Person will provide a written report to the Compliance Committee on a Quarterly basis.

### **How we approach our obligations**

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#### **Conflict of interests are managed in the following way**

It is everybody's responsibility to be alert for conflicts of interest and to report these to the Responsible Person. In addition, the Responsible Person actively:

- identifies conflicts of interest;
- assesses and evaluates those conflicts; and
- implements an appropriate action.

#### **Identification of conflicts of interests**

Identification of a conflict of interest occurs by a monthly review of business operations by the Responsible Person, and annual review by the Compliance Manager and/or an external Compliance Auditor.

Conflicts of interest are a fact of life. They frequently arise. However, identifying conflicts of interest is not always easy. Accordingly, the following process is how MEX identifies actual or potential conflicts of interest.

First, we identify the parties (stakeholders) involved in a particular transaction or event. For example, the parties may be MEX, its representatives, virtual asset service providers and clients.

Next, we list the interests of each of those parties. Having listed the interests, we are now in a position to identify any conflicting interests. In many instances, the interests of the various parties may be aligned, in which case there is no conflict.

Where conflicts of interest are identified, these are recorded and must be managed. This is when we consider whether the only way to appropriately deal with the conflict is to avoid it, or whether it can be managed in some other way.

If it can be appropriately managed by disclosure, it will be recorded in the Conflicts of Interest Register and referred to as required by regulation.

We keep records of this process, and document how identified conflicts are dealt with.

The Responsible Person must ensure that conflicts of interest records are up-to-date, and that the treatment plan for conflicts of interest is recorded.