

TOPLINE SECURITIES LIMITED

CONFLICTS OF INTEREST POLICY

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Introduction

Topline Securities Limited. (Hereinafter “the Company”), has a fiduciary duty to its clients and as such must identify and take steps to mitigate potential conflicts of interest.

A conflict of interest arises when the Company and/or its employees have a competing professional or personal interest which could affect their ability to act in the best interests of The Company’s clients. A conflict could exist even if no unethical or improper act results from it

This Policy is not intended to, or does not create third party rights or duties nor does it form part of any contract between the Company and any client.

Policies and Internal Procedures to Identify and avoid or to Deal or manage actual or potential Conflict of Interest

Objectives of Policy

Objectives of the policy on Conflict of Interest are defined as under:

- to promote high standards of integrity in the conduct of business
- to ensure fairness of dealing with clients
- to guide for identification, elimination or management of conflict of interest situations
- to provide a mechanism for review and assessment of the policy(ies) on conflict of interests

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 interests are protected at all times.

The Conflicts of Interest Policy sets out how:

- The Company identifies circumstances which may give rise to conflicts of interest entailing a material risk of damage to our Clients’ interests;
- The Company implements appropriate mechanisms and systems to manage those conflicts;
- The Company maintains systems designed to prevent damage to our Clients’ interests through identified conflicts.

For the purpose of this policy:-

“Conflict of Interest” would mean

Conflicts of Interest can be defined in many ways, including any situation in which an individual or corporation (either private or governmental) is in a position to exploit a professional or official capacity in some way for their personal or corporate benefit. A conflict of interest is a manifestation of the moral hazard problem, particularly when a financial institution provides multiple services and the potentially competing interests of those services may lead to a concealment of information or dissemination of misleading information. A conflict of interest exists when a party to a transaction could potentially make gain from taking actions that are detrimental to the other party in the transaction.

Identification of Conflicts of Interests

The Company shall take adequate steps to identify conflicts of interest. In identifying conflicts of interest, the Company will take into account situations where the Company or an employee or a Relevant Person: -

- Is likely to make a financial gain, or avoid a financial loss, at the expense of the Client;
- 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;
- Has a financial or other incentive to favor the interest of one Client over another;
- Carries out the same business as the Client; or
- 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.

Purpose

The purpose of this Policy is to set out the Company's approach to identify and manage conflicts of interest which may arise during the course of its business activities.

This Policy aims at:

- a. identifying circumstances which may give rise to conflicts of interest entailing a material risk of damage to clients' interests,
- b. Establishing appropriate procedures and systems to manage those conflicts, and
- c. Ensuring the maintenance of such procedures and systems in an effort to prevent actual damage to clients' interests through conflicts identified.

Potential conflicts of interest areas

1. The Company or employees is/ are likely to make a financial gain, or avoid a financial loss, at the expense of the client.
2. The Company or employees associated persons has/have 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 the outcome.
3. The Company or employees has/have a financial or other incentive to favor the interest of another client or group of clients over the interest of one client.
4. The Company or employees 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.

Procedures and controls to managing Conflicts of Interests

The procedures and controls that the Company follows to manage the identified conflicts of interests include the following:

1. Effective procedures to prevent or control the exchange of information in the activities involving a risk of conflict of interest where the exchange of that information is likely to harm the interest of one or more clients;
2. Measures to prevent or limit any person from exercising inappropriate influence over the way in which capital market services are carried out;
3. Restricted flow of confidential and price sensitive information within the Company, physical separation of departments and sharing of information only on a "Need to Know Basis".
4. Presence of Independent Internal auditor to ensure that appropriate systems and controls are maintained and their effectiveness or otherwise is being reported to the Audit committee and Management.
5. Trading by employees in relation to their own investments needs to be intimated as per relevant rules and regulations governing employees trading.
6. The Company's Compliance team has oversight on the business to ensure that all the regulatory compliances are adhered to.
7. The Board of Directors of the Company and the Compliance team share the responsibility for keeping the Policy in place. Any situation or transaction involving an actual or potential conflict of interest should promptly be reported to the Compliance team and obtain their determination as to whether a conflict exists.
8. The conflict of interest policy
9. Where a conflict arises and the Company is aware of it, it will disclose the conflict to the client prior to undertaking the business for that client or, if the Company does not believe that the disclosure is appropriate to manage the conflict, the Company may choose not to proceed with the transaction or matter giving rise to the conflict.
10. Periodic review of the Policy will be done at the Board Meeting of the Company. The same may be reviewed on need basis.

Measures to avoid or to deal or manage actual or potential Conflict of Interests.

Should a conflict of interest arise, it needs to be managed promptly and fairly. The Company puts in place following arrangements to ensure that:

- i. There is a clear distinction between the different departments' operations;
- ii. No single person will gather conflicting information, thus counterfeiting or hiding information from investors is minimized;
- iii. The Company's employees are prohibited from investing in a financial instrument for which they

- have access to non-public or confidential information;
- iv. Employees have signed a contract of employment including confidentiality clauses. 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;
 - v. Each department will control the flow of information where, otherwise, the risk of conflict of interest may harm the interest of a Client;
 - vi. Relevant information is recorded promptly in a secure environment to enable identification and management of conflicts of interests;
 - vii. There is a periodic review of the adequacy of the Company's systems and controls.
 - viii. Employees are required to avoid conflicts of interest with activities they undertake outside company.

Violation and Consequences

Any non-adherence with the Policy will be subject to strict action. Complaint can be lodged to the complaint office of Topline available at the website.

Communication of policies, procedures and code to all concerned

This Policy on management of Conflict of Interest offers general guidance in addition to company's policies and procedures and is not meant to replace any of those policies or procedures. This policy shall be communicated to all the employees and clients.

Implementation and Review of policy of management on Conflict of Interest

This policy shall come into effect from the date of approval of the Board of Directors of the company for its implementation so as to provide necessary guidance enabling identification, elimination or management of conflict of interest situations and that the same shall be reviewed and assessed annually by the management.

Disclosure

The Company reserves the right to make review and / or amend its Policy and whenever it deems appropriate.