



Conflict of Interest Policy

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1. Introduction

MEXEM Financial Services UK Ltd (hereinafter referred to as the “Company” or “Mexem UK”) is an Investment Firm authorised and regulated by the UK Financial Conduct Authority under Firm Reference Number (FRN) 1009371.

This Conflicts of Interest Policy (“the Policy”) outlines our approach to identifying and managing conflicts of interest that may arise in the course of providing investment services to clients. The Policy reflects our commitment to acting honestly, fairly, and professionally in accordance with the best interests of our clients and applicable UK regulation.

2. Scope of the Policy

This Policy applies to:

- All Mexem UK directors, officers, and employees
- Any contractors or third parties acting on behalf of Mexem UK
- Any person directly or indirectly linked to Mexem UK ("related persons")

It covers all interactions with existing, former, and prospective clients, and applies to the provision of investment services, customer support, account management, and referral arrangements.

3. FCA Rules

The FCA sets out obligations in SYSC 10.1, COBS 12 and Principle 8 to which this document is prepared.

Whilst the FCA rules are important to be adhered to by all of our staff, they are non-exhaustive, and certain other additional rules may apply to readers who are members of professional associations, or by virtue of their job role. Failure to follow any of the rules whether by express breach, or failure to follow any of the spirit of identifying, mitigating, and managing conflicts of interest may also be a breach of an employment contract. Disciplinary action may be taken by Mexem UK, or in serious cases by the FCA, or the Department for Business, Innovation, and Skills.



4. Conflicts of Interest

The services that Mexem UK provides to its clients could potentially give rise to conflicts of interest entailing a material risk of damage to the interests of one or more of our clients. This document aims to set out these potential conflicts and the procedures that are in place to be followed and measures to be adopted in order to manage such conflicts.

Conflicts of interest may occur between a client and Mexem UK, including its managers, employees or any persons directly or indirectly linked to the firm, or between two or more clients.

Treating Customers Fairly and the Consumer Duty are central to the core values of Mexem UK. There is an embedded culture that understands what “acceptable and unacceptable behaviour” is. As such, conflicts of interest and the identification/management/mitigation thereof are central to this philosophy and culture.

Definition

An actual or potential conflict may arise when, in the exercise of its activities and services, the interests of: Mexem UK (including its managers and employees or any person directly or indirectly linked to them by control); and the interest of its clients, are directly or indirectly in competition, and which could significantly prejudice the client’s interests.

Examples of Potential Conflicts of Interest

Mexem UK has identified the following situations that may give rise to a conflict of interest:

- **Remuneration conflicts:** Employees may be incentivised (e.g. through trading volume) in a way that could encourage actions not aligned with the client’s best interests.
- **Client-to-client conflicts:** Mexem UK may be providing services to multiple clients with competing interests (e.g. competing interests in similar instruments).
- **Third-party relationships:** Mexem UK may receive or pay fees (e.g. from affiliate or referral relationships) that create a commercial incentive not aligned with a client’s interests.
- **Personal transactions:** Employees may have access to inside or confidential information and could benefit from using it unless appropriately restricted.
- **Product-related incentives:** We may have a commercial preference for one product or service over another (e.g. if one generates higher fees), which may not be in the best interest of the client.



Inducements including gifts and hospitality

Gifts and hospitality could lead to potential conflicts of interest. No employee may accept from, or give to, any person any gift or other benefit that cannot properly be regarded as justifiable in all circumstances. Policies and procedures have been implemented to ensure that staff and their connected persons do not offer or accept gifts or inducements which may give the perception that decisions or actions are not impartial. These include the requirement for gifts or hospitality, received or given to be notified to the Compliance Officer and, where the amount is above £150, written approval must be obtained from the Compliance Officer. All employees must act with the highest standards of integrity to avoid any allegations of conflicts of interest.

A record is kept by the Compliance Officer of any gifts or hospitality received or given.

Where an invitation to a hospitality event could be construed as being a business inducement, it must be declined and the Compliance Officer informed.

Personal account dealing

Employees may only undertake personal investment activities that do not breach applicable law or regulation, do not unduly distract from their employment responsibilities and do not create an unacceptable risk to the Company's reputation. Transactions should also be free from business and ethical conflicts of interest. Employees must never misuse proprietary or client confidential information in their personal dealings and must ensure that clients are never disadvantaged as a result of their dealings.

Mexem UK's Personal Account Dealing Policy has been established to ensure that personal account dealing by members of staff comply with this policy. This includes a requirement for pre-deal approval from the Compliance Officer with the approval only lasting 24 hours before preapproval needed.

Outside employment and business interests

No employee may engage in any additional occupation without the consent of the Company. In certain circumstances, consent may be withheld.

Employees must not accept personal fiduciary appointments (such as trusteeships or executorships other than those resulting from family relationships) without first obtaining written approval from the CEO and the Compliance Officer.

5. General Procedures and Controls for Preventing and Managing Conflicts of Interest

We have established internal systems and controls designed to identify, prevent, and manage conflicts of interest, including:

A. Organisational Measures

- Segregation of duties (e.g. client support vs compliance oversight)
- Independent supervision of departments with potentially conflicting interests



- Implementation of the “four-eyes” principle for critical decisions
- Internal audit and compliance reviews

B. Information Controls

- Chinese walls restrict the flow of confidential and inside information within the Company, and physical separation of departments
- Role-based access controls to client and trading data
- A “need-to-know” approach to internal communication

C. Personal Conduct and Remuneration

- Restrictions and monitoring of personal account dealing by staff
- Clear policy on inducements and commissions from third parties
- Oversight of referral arrangements
- Staff training on recognising and managing conflicts of interest

6. Client Consent and Relationship with this Policy

By entering into a client agreement with Mexem UK, the client acknowledges that this Conflict of Interest Policy applies to their relationship with the Company. Mexem UK takes all reasonable steps to maintain systems and controls that manage or mitigate conflicts effectively.

Where a conflict cannot be effectively managed through internal measures, the Company may disclose it to the client in accordance with Section 9 of this Policy.

7. Specific Identification of Conflicts of Interest and Measures for their Management

Mexem UK continuously reviews its business model, organisational structure, and operational arrangements to identify potential or actual conflicts of interest. Areas monitored include:

- Client order handling and best execution
- Employee remuneration and performance incentives
- Third-party relationships and referral arrangements
- Marketing communications and investment research
- Product governance and distribution



The Compliance team maintains a Conflicts of Interest Register and conducts regular risk assessments to ensure effective identification and escalation.

8. Departmental Segregation and Independence

Mexem UK maintains internal segregation between functional departments to minimise the risk of conflicts arising from shared decision-making or access to information.

For example, portfolio management (if offered in future) and brokerage/execution services are subject to separate oversight and reporting lines. Employees in these areas operate independently and are not incentivised based on each other's performance or commission metrics. Oversight is provided by Compliance and senior management.

9. Disclosure of Unmanageable Conflicts

Where a conflict of interest cannot be avoided or adequately managed using internal procedures, the Company will disclose the conflict to the affected client(s) before proceeding with any relevant service or transaction.

Disclosure will:

- Be made in a durable medium (e.g. email or secure platform message)
- Explain the nature and source of the conflict
- Clarify the potential risks to the client
- Describe the steps taken to mitigate those risks
- Be sufficiently detailed to allow the client to make an informed decision

If a client chooses not to proceed based on the disclosed conflict, and no suitable alternative is available, Mexem UK may decline to provide the service.

Disclosure is always considered a last resort, only after all reasonable internal controls have been assessed and applied.

10. Information Barriers

Mexem UK maintains appropriate policies in its Compliance Manual detailing Insider Lists and Information Barriers often known as Chinese Walls so as to limit or withhold the use of information that is price-sensitive, confidential, and could give rise to market abuse, restrictions on dealing, conflicts of interest, or any other improper or unethical activities.



Mexem UK maintains and periodically updates the Restricted Lists of financial instruments that are prohibited or restricted from investment as a result of a conflict of interest or inside information.

The Compliance Officer monitors along with the relevant business line managers the effectiveness of these Information Barriers. In some circumstances staff may be taken “across the wall.” Where this happens the Compliance Officer must be notified and a record made thereof, along with updating of the Restricted List.

11. Record Keeping

Under SYSC 10.1.6A Mexem will keep and regularly update a written record of the kinds of investment or ancillary services or activities carried out by or on our behalf in which a conflict of interest entailing a material risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service or activity, may arise. These records will be held for a minimum of five years from the date of creation and are maintained on an ongoing basis by our Compliance Officer.

12. Review and Amendments to This Policy

Mexem UK reserves the right to amend this Conflict of Interest Policy from time to time, including to reflect changes in regulation, business model, or internal controls. This policy will be reviewed at least annually.

Clients will be notified of any material changes where required. The latest version of this Policy is always available upon request or via our website.

For questions or further information, please contact:

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