Flowdesk

CONFLICT OF INTEREST POLICY

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The best practices and recommendations of the French authorities regarding Digital Assets trading have led Flowdesk to set up and apply organizational and administrative rules and processes aimed at preventing conflicts of interest that could harm the interests of Flowdesk's clients.

During the life of a company, and as in any financial company, some situations lead to potential or real conflicts of interest. For the moment, no regulation or law obliges Flowdesk to set up a conflict-of-interest policy. However, the company believes that it is in its interest to prevent abuses and to protect its clients, employees, partners, and counterparties.

Flowdesk undertakes to take all necessary steps to identify, manage, record, and eventually declare any conflict of interest between the company (including its officers, employees, and any person directly or indirectly related to it) and its clients and between its clients and to have a conflict of interest policy to deal with it. This includes conflicts that may arise when Flowdesk conducts its market-making business.

This policy is adopted by Flowdesk, its employees, managers, and directors. It is binding on the directors and beneficial owners of Flowdesk. It has been prepared for a small Digital Assets market-making company. Flowdesk will ensure that it takes all necessary measures to prevent and manage conflicts of interest that may be detrimental to the interests of its customers and to adapt its policy as it evolves.

Definition of conflict of interest

A conflict of interest is a situation that could be detrimental to the interests of one's clients because of the interests of:

- Flowdesk and its different customers
- A Flowdesk client and another client differ
- Interest is the source of any direct or indirect benefit, of any kind, tangible or intangible, professional, commercial, financial or other, or personal.

Role of the Compliance Department

Flowdesk's Compliance Department ensures that conflicts of interest or potential conflicts of interest are:

Detected

Averted

Or so inevitable that they are properly managed, reported, and recorded.

To achieve this goal, training is provided to all employees (at least once a year) and new employees. Follow-up is done to cover areas such as gifts and invitations. Flowdesk's compliance department ensures transparency on conflicts of interest and declares them to the appropriate party.

Types of conflicts of interest

When Flowdesk identifies services and activities that could be detrimental to a customer's interests, the company considers at least:

The probability that Flowdesk will make a gain or avoid a loss for the customer.

If Flowdesk has an interest in the outcome of an activity or service provided or a transaction conducted on behalf of a client that is separate from the interests of that client.

If Flowdesk offers market opportunities fairly and equitably to its customers

If Flowdesk has financial or non-financial incentives to favor the interests of a client or group of clients

If Flowdesk performs similar activities on behalf of several customers

Whether there are any third-party incentives in connection with the services provided in the form of fees, goods, or services other than the standard commissions, fees, or incentives for the services in question.

Flowdesk has identified the risks of general and specific conflicts of interest and the circumstances in which they arise. The company establishes and implements organizational and administrative rules and processes that demonstrate that all necessary steps have been taken to prevent or manage these conflicts if they are of a nature to constitute or increase a prejudice to the interests of the clients.

Flowdesk will take care to avoid conflicts of interest and, where they cannot be avoided, will seek to ensure that its clients are treated fairly.
When a potential conflict of interest arises, Flowdesk will always seek to ensure that transactions and services are conducted under rules that are not materially less favorable to the client than those that apply to the other client whose interests are in actual or potential conflict.

When the internal measures applied by Flowdesk are not sufficient to ensure with sufficient confidence that the risks of harm to a customer's interests will be prevented, an appropriate declaration will be made to the various parties concerned as the last resort.

Identification of potential conflicts of interest and risk mitigation solutions Flowdesk has the following

activities:

Market making on Digital Assets on behalf of its clients.

Providing brokerage services in Digital Assets on behalf of its professional and non-professional clients.

Proprietary trading

Development of trading infrastructures and technologies

Execution of transactions on behalf of clients

Teaching in business schools

Flowdesk does not operate in financial instruments. Flowdesk sometimes takes direct custody of its clients' funds or uses API keys for limited access to clients' accounts.

As part of its governance, Flowdesk has put in place systems of internal controls and administrative and organizational rules and processes to manage actual or potential conflicts and prevent harm to its clients' interests.

Flowdesk managers, with the assistance of the compliance and legal departments, are responsible for diligently and prudently identifying and managing actual or potential conflicts of interest. Operators are responsible for monitoring their own risks daily.

The procedures and measures for managing conflicts of interest are both general and specific. General procedures are intended to be applied company-wide and to establish the structures and cultures that ensure good business practices. Specific procedures are designed to address risks attributable to particular identified circumstances.

The general rules and procedures are described below. Specific rules and procedures to address the circumstances described above are described in a specific log maintained by the Compliance Department.
General risk mitigation measures

Formal division of roles and responsibilities

Documentation of policies and procedures covering key activities and procedures Autonomy of process

control and monitoring responsibilities

Updated conflict of interest policy approved by all Flowdesk managers and to which all employees must adhere

Regular reminders from managers to employees on the importance of managing conflicts of interest

Whistleblowing procedure for anyone who suspects a conflict of interest that has not been properly addressed.

Updating of codes of conduct and business ethics policies

Document from each employee certifying that all potential or actual conflicts of interest of which he or she is aware have been identified and addressed.

Conflict of interest awareness training when a new employee is hired and repeated annually thereafter

Use of physical means to prevent the sharing of sensitive information between all departments, if and when necessary.

Reviewing all potential conflicts of interest and their effective management when outsourcing certain functions to third parties, and considering whether these third parties also have a conflict of interest policies that they effectively enforce.

Review of potential conflicts of interest during the development and deployment of a new product or service.

Consideration of potential conflicts of interest before proposing a business opportunity to a specific client.

Requirement for all employees to report any potential or actual conflicts to the compliance department.

Monitoring of potential conflicts of interest and associated mitigation measures by independent and competent functions.

Periodic checks

All employees are responsible for identifying and safeguarding circumstances in which a conflict of interest may arise or has arisen in connection with activities conducted by Flowdesk. This document will be saved on Flowdesk's drive and will be subject to review and feedback by Flowdesk's compliance department and management team.

Employees are responsible for identifying and reporting policy violations to the Compliance Department.

Conflict of interest declaration and solutions

At present, several potential sources of conflict of interest have been identified for the services provided by the company. These are described below, along with associated risk mitigation solutions. To make them more readable, they are grouped into several key categories: personal conduct and compensation, and corporate interests.

Personal conduct and personal compensation

Potential conflict: When a Flowdesk employee or manager is trading on his own behalf or is interested in assets held or traded by the company on behalf of a client.

Control by Flowdesk: Flowdesk implements procedures detailing the requirements for prior approval and/or notification of blackout periods and trading restrictions on the assets concerned. All these transactions are recorded and monitored. When violations are identified, they are followed up immediately. In addition, periodic reports are produced by the Compliance Officer and submitted to senior management, identifying any violations and, where appropriate, making recommendations for changes in procedure.

Incentives, gifts, and invitations

Potential Conflict: Non-monetary benefits such as gifts and entertainment received and given may influence behavior in a manner contrary to the interests of Flowdesk's customers. The receipt of non-monetary benefits by Flowdesk employees from Flowdesk's business partners may influence Flowdesk to use or retain the services of another company, which may not be in the best interest of Flowdesk's customers.

Flowdesk control: Flowdesk has an incentive (non-monetary benefits) policy covering gifts, benefits, and entertainment (Incentive Policy) that specifies what is acceptable or reasonable based on the investment service provided. All Flowdesk employees are required, as part of the annual Code of Ethics declaration, to confirm that they have complied with the Incentive Policy. Only non-monetary benefits that do not undermine Flowdesk's duty to act in the best interest of clients are permitted. In addition, the policy requires that all non-monetary benefits provided or received by Flowdesk be to improve the quality of service to clients. A Flowdesk business team or its staff is prohibited from providing or receiving a non-monetary benefit that is conditioned on Flowdesk doing business with the individual or entity. Records are kept and tracking is done on non-monetary benefits received and given. In addition, Flowdesk will provide customers with all the information necessary to ensure transparency.

Compensation

Potential Conflict: Employees are compensated on the basis of several components of compensation, including base salary, cash bonuses, and deferred stock awards, and long-term stock distributions. Cash and deferred bonuses are variable components of compensation that are intended to motivate and reward individuals for their contribution to the company's annual results and not to encourage inappropriate risk-taking.

Control by Flowdesk: Flowdesk has a collegial control of compensation organized with the CFO (finance), the CEO (executive), the COO (operations), and the CCO (compliance). The committee meets regularly and is responsible for determining the components and level of compensation paid to all employees and ensuring that everyone's compensation is aligned with the long-term interests of Flowdesk's customers and shareholders.

External interests

Potential conflict: Flowdesk employees may be employees or officers of companies not associated with Flowdesk. This could potentially lead to the employee not acting in the best interest of Flowdesk or its customers.

Control by Flowdesk: This problem is limited by a control of all external professional relationships which must be authorized in advance by the compliance department after having verified that no conflict of interest exists or is likely to exist in the future. In addition, Flowdesk's Code of Ethics provides for an annual signed declaration detailing any relevant external interests. Where an employee has an interest in a company related to Flowdesk, the employee must, depending on the circumstances, waive any remuneration from that outside interest.

Commercial opportunities

Potential conflict: The processes involved in asset sourcing, trade execution, and asset allocation within a trade could result in unfair execution or allocation of opportunities on client accounts and trades executed in priority to favor one or more clients at the expense of other clients. Exchange-related services may offer different opportunities for customers and Flowdesk, which may potentially affect the incentive to use a particular exchange. This incentive may result from differences between exchanges in the structure and method used to determine exchange compensation as well as opportunities that may be open to Flowdesk to obtain business or professional benefits.

Flowdesk control: Order Aggregation and Trade Scheduling: When executing customer trades, Flowdesk may aggregate orders when it reasonably believes that doing so will result in more favorable overall execution and will be in the best interest of customers. Flowdesk will arrange to execute orders in turn from among all orders received by the trading desks.

Opportunity allocation: Flowdesk has strict allocation procedures in place to ensure a fair allocation of opportunities to all its clients. If there is enough liquidity to buy or sell, Flowdesk will allocate orders to buy or sell the token or the corner in proportion to the relative size of the orders. This is subject to control.

Reallocation: In certain circumstances, the allocation of a transaction may deviate from the pro-rata approach. These cases must be justified and be in the best interest of all clients involved and clearly documented. In addition, Flowdesk may from time to time, when contractually permitted, sell the asset of one client to another client. These transactions are recorded and monitored.

Client choice of exchange and potential conflict of interest

Potential conflict: When the client does not use the exchange list provided by Flowdesk, a conflict may arise between the client's instruction and the obligation to provide best execution to all clients.

Control by Flowdesk: When Flowdesk is no longer able to guarantee the best execution to the client by facilitating his preference, it is clearly established in advance that Flowdesk's standard trading orders will take priority.

Investment for own account

Potential conflict: A conflict may arise when Flowdesk or its employees invest for their own account in certain tokens or coins. It is possible that these tokens are favored to the detriment of the clients' interests or that the tokens or coins held by Flowdesk are treated in priority to those of the client.

Control by Flowdesk: When Flowdesk's interests are in conflict with the customer's interests, the transactions carried out on behalf of the customer are always processed first. Moreover, Flowdesk's own transactions will gradually disappear.

Insider information

Potential Conflict: A potentially significant conflict that arises on an ongoing basis is that some employees of the firm, to varying degrees, have access to material non-public information regarding potentially sensitive tokens or corners and transactions that may affect the market.

Flowdesk control: When employees become aware of inside information (and become "insiders" in the traditional financial equivalent), Flowdesk

Operations conducted on behalf of exchanges

Potential conflict: As part of its activities, Flowdesk enters into contracts with certain exchange platforms. When these service providers are also Flowdesk's customers, this could allow Flowdesk to retain the services of an underperforming service provider for commercial or convenience reasons rather than in the best interest of the customers.

Flowdesk control: Flowdesk manages the relationship with the service provider and all aspects of service delivery quality. Service level agreements and management reports are put in place to monitor the performance of the service provider. When performance falls below acceptable standards, procedures are followed to escalate the issue to Flowdesk management and the service provider company. Flowdesk does not tolerate persistent underperformance by a service provider company and if this occurs, Flowdesk management will take appropriate action to ensure that adequate service levels are provided to customers and Flowdesk. The outsourcing policy requires that conflicts of interest be considered.
Market manipulation

Potential conflict: Excessive trading by a market player may disrupt Flowdesk's operations and could harm the interests of the company's clients.

Control by Flowdesk: An excessive trading policy is in place and trading is monitored by the CEO to ensure that it is applied fairly and consistently for the benefit of all. The CEO has the authority to take action against investors suspected of exhibiting potential excessive trading patterns.

Privileged communication

Potential conflict: If information about a token or exchange is provided to specific customers, it may give them an informational advantage over other investors.

Flowdesk Control: A disclosure policy is in place to ensure that disclosures are made fairly and that no selective disclosures are made.

Fees

Potential conflict: Transactions may involve an investment for which Flowdesk may receive a commission, fee, mark-up or discount payable otherwise than by the client and Flowdesk may also be remunerated by the counterparty to such transaction.

Control by Flowdesk: The fees for Flowdesk services are stipulated in the contracts and planned in advance.

Conflict of Interest Statement

When the internal rules and processes put in place and applied by Flowdesk are not sufficient to ensure, with a reasonable degree of confidence, that the risks of harm to a client's interests will be avoided, then the client will be informed by a declaration.

Statements must:

Detail the general nature and/or sources of conflict of interest.

detail the measures taken to mitigate these risks

Clearly state that the administrative and organizational rules and processes Flowdesk has in place to prevent or manage this conflict are not sufficient to ensure with reasonable confidence that the risks of harm to the client's interests will be avoided.

Include a specific description of conflicts of interest that arise in connection with the services provided

Explain the risks to the client arising from conflicts of interest

The information provided must be sufficiently detailed, taking into account the nature of the client, to enable the client to make an informed decision about the service in which the conflict of interest arises. The information must be provided in an appropriate durable medium.

Disclosure of a conflict of interest to a client does not relieve Flowdesk from maintaining and operating effective organizational and administrative arrangements to take all reasonable and appropriate steps to prevent or manage conflicts of interest from constituting or giving rise to harm to the interests of its clients.

Flowdesk should consider disclosure of conflicts of interest as a measure of last resort to be used only when the effective organizational and administrative arrangements in place to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risks of harm to the client's interests will be avoided.
When Flowdesk identifies a situation that will potentially require disclosure of conflicts of interest, this matter will be referred to Flowdesk's CEO who will review it and agree on the most appropriate course of action.

The business function is responsible for disclosing any potential or factual conflicts of interest to its client.

The Compliance Department provides advice and guidance and will monitor these activities on a regular basis.

Statement

This policy document will be reviewed as necessary at least annually by the Compliance Department to ensure that it remains current in light of the scope of Flowdesk's business, its operational structure, its strategic plans, applicable regulatory changes, and the nature of its customers. This review should ensure that all appropriate steps are taken to address any deficiencies, such as over-reliance on conflict of interest disclosure.

A conflict log will be maintained detailing the nature of the conflict, how it creates a significant risk of disadvantage to clients, the proposed mitigation measure, how it complies with the Conflict of Interest Policy and the remedies undertaken to confirm its effective implementation. The responsibility for maintaining this register rests with Compliance.

A report will be produced by Compliance, detailing any new conflicts recorded and proposing changes to previously identified conflicts, for submission to the CEO on a quarterly basis.

Prevent and manage conflicts of interest that may be detrimental to the interests of its customers and to adapt its policy as it evolves.