



Managing Conflicts of Interest Policy Stratos Markets Limited



Introduction

Stratos Markets Limited (“Tradu” or the “Firm”) is responsible for taking all appropriate steps to identify and manage any conflicts of interest in its business that might arise between itself and its clients, between one client and another and between itself and the Stratos Group of companies (collectively, the “Stratos Group”). This document (the “Policy”) identifies the potential conflicts of interest that may arise in Tradu’s business and summarises the controls implemented by us to manage any such conflicts of interest. Tradu is deeply committed to maintaining the highest ethical standards and complying fully with its regulatory and legal obligations. Compliance with this Policy is a requirement of the employment contract of every employee and any breach may lead to disciplinary proceedings, up to and including dismissal.

Identification of Potential or Actual Conflicts

A conflict of interest may arise where Tradu, or one of its employees, is providing a financial service to its clients or engaging in activities on their own account which may entail a material risk of damage to the clients’ interests, for example where Tradu or the Stratos Group, or employees of both:

- could 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 clients’ interest in that outcome;
- has a financial incentive to favour the interest of another client, or group of clients, over the interest of the client;
- receives, will receive or will pay a person other than the client, an inducement in relation to a service provided to the client, in the form of monies or commission, other than the standard fee for that service; and
- where common directors of Tradu and the Stratos Group might act in a way in which they have or could have an interest which conflicts with the interest of Tradu. In particular this applies to the exploitation of any information or opportunity available to Tradu or where the Stratos Group withdraws support for Tradu.

A conflict of interest does not arise where Tradu provides clients with the service ‘reception and transmission of orders’ to a Third Party Broker in relation to transferable securities. Where this service is provided, there is no execution of client orders by Tradu and Tradu does not engage in principal/own account trading. Tradu has no association or common ownership links with the Third Party Broker.

Managing Conflicts

Confidential Information and the “Need to Know” Policy

It is the policy of Tradu that all non-public information obtained from a client or potential client or other source which has been provided in the expectation that it will be kept confidential shall be treated as confidential and shall not be shared with any other company or individual. Tradu employees may not disclose any such confidential information to any person who is not an employee unless required by the terms of a transaction or relevant law or regulation. The dissemination of confidential information within Tradu is at all-time subject to established information barriers. Tradu also operates a “need to know” policy. Under the terms of this Policy,

confidential information may only be disclosed to those persons who need it to serve the legitimate interests of Tradu and its clients and who can be expected to keep it in confidence in accordance with the policy regarding information barriers.

Allocation of Securities

Client orders must be dealt with sequentially and in accordance with the timing of their reception by Tradu. They must be accurately recorded and allocated. Tradu and its employees must not misuse information relating to client orders. If one or more client orders are aggregated with a transaction for Tradu's own account, the trades must not be allocated in a manner detrimental to any client. If the aggregated order is only partially executed, the trades must be allocated to the clients in priority to Tradu unless it can be demonstrated that the prices obtained was significantly improved because of the aggregation of Tradu's order with those of the client. Unfair precedence should not be given to Tradu or to any particular client.

Where Tradu performs the service of 'reception and transmission of orders' to a Third Party Broker in relation to transferable securities, Tradu will directly be transmitting those to the third party broker without any alteration, but in some cases may aggregate client orders.

Independence Policy

It is the policy of Tradu that where it and/or its employees are carrying on investment business Tradu will disregard any material interest which it or any of its subsidiaries or affiliates may have when making recommendations or arranging transactions with or for its clients. This policy ensures that in providing services to clients, the employees of Tradu act independently of any interest that may conflict with the duties owed to different clients or between Tradu and its clients. This means that all employees must disregard any of the following interests and must not allow the existence of such interests to influence them when dealing with clients or potential clients: (a) any personal interests which they or members of their family may have (b) any existing, proposed, or prospective business relationships between Tradu and any third party (c) any agreement or transaction which has been, will or maybe entered into by Tradu; or (d) the holding by, interest or position of Tradu in any investments issued by the client or any third party. (e) any hypothesis in which they may have an interest to favor a client's interest or order over another client or their order.

Where Tradu performs the service of 'reception and transmission of orders' to a Third Party Broker in relation to transferable securities, Tradu transmits the orders of clients 'as they come' and cannot alter the sequential treatment of the different clients' orders.

Inducements

Tradu does not give or receive any monetary or non-monetary benefits from third parties in connection with the provision of services to the clients, other than minor non-monetary benefits, and unless designed to enhance the quality of service provided to the client. An example of an inducement arrangement designed to enhance the quality of service is the Firm's referring fees program.

In order to provide the best possible service to clients who would otherwise not have access to our services, Tradu shares commissions and charges with the clients' Introducing Broker or other third parties, e.g. a Third Party Broker in connection with transactions carried out on their behalf. There are two ways these charges may be applied:

- Spread-based method – Tradu incorporates the charges to the client in the spreads. Certain amount of the charged sum is then allocated to the third party in return for directing the client to Tradu.

- Commission method - CFDs – Tradu does not incorporate a charge in the spreads and provides the client with the same spreads as those made available to the Firm by our Liquidity Providers (LPs). Instead, the client is charged a commission based on the lots traded. A percentage of that commission is then allocated to the third party in return for directing the client to Tradu.
- Commission method - Shares – Tradu does not incorporate a charge in the spreads of clients' shares orders and provides the client with the same spreads as those made available to the Firm by our Liquidity Providers (LPs). Instead, the client is charged a commission based on the lots traded. A percentage of that commission is then allocated to the third party broker in return for providing execution of shares orders for the clients of Tradu.

Tradu has mechanisms and processes in place to ensure that in all cases, the clients are treated fairly and professionally, in accordance with their best interests. The Firm also executes each order in line with our Order Execution Policy, without awarding any differentiated treatment to transactions caught by our referring fee program.

Disclosure

Tradu shall use all appropriate efforts to manage or otherwise prevent any conflict of interest, but if those efforts are not appropriate to ensure, with appropriate confidence, that the risk of damage to the interest of a client will be prevented. Tradu shall, where appropriate, disclose the general nature and/or source of the conflict of interest in writing to the client before undertaking business for the client. When considering whether it is appropriate to disclose a conflict of interest to a client, Tradu shall take into account the status of a particular client and whether they are likely to understand the risks involved if they continue to deal with Tradu. Any disclosure shall contain appropriate information to allow the client to make an informed decision.

It is the policy of Tradu to disclose all material interests or conflicts of interest to the client whether generally or in relation to a specific transaction before it deals on behalf of a client, through its Standard Terms of Business. This disclosure is made even where Tradu has employed other measures to manage conflicts and those measures have the effect that the risk of damage to a client's interest is low.

Declining to Act

In the event that Tradu determines that it is unable to manage a conflict of interest using one or more of the methods described above it may decline to act on behalf of a client.

Further Information

Tradu will review and update this Policy as necessary. Questions regarding this policy should be addressed to the Director of International Compliance by sending an email to compliance@tradu.com.