

Conflict of Interest Policy

Introduction

At XBase Virtual Assets Broker & Dealer Services LLC (XBase Digital DED), we are committed to maintaining the highest standards of integrity, transparency, and professionalism. This Conflict of Interest Policy is designed to safeguard the interests of the company, its clients, and stakeholders by ensuring that personal interests do not compromise the objectivity and impartiality of those representing the organization.

Conflicts of interest may arise in various situations, including between entities within the Group, when senior managers hold multiple roles, or when employees or Board members have financial or personal interests in business transactions. XBase Digital takes all reasonable measures to avoid conflicts of interest and implements suitable controls to manage any potential or actual conflicts between the Group, XBase Digital, the Board, Staff, clients, and investors. Where conflicts cannot be entirely avoided, XBase Digital ensures full disclosure, transparency, and fair treatment of all affected parties to uphold trust, integrity, and regulatory compliance in its operations.

XBase Digital upholds the highest standards of integrity and transparency by implementing strict policies and controls to mitigate conflicts of interest. The company employs preventive measures, including segregation of duties, Chinese Walls, independent decision-making, and maintaining a conflict register.

Where conflicts cannot be avoided, XBase Digital ensures full disclosure, fair treatment of clients, and regulatory compliance. This policy is subject to regular review and updates to align with regulatory requirements and evolving business practices.

Scope of the Policy

This policy applies to all individuals who make decisions on behalf of XBase Digital, provide recommendations, or perform services for or on behalf of the company. This includes employees, directors, contractors, and relevant third-party service providers.

Policy Statement

A conflict of interest exists when an individual's personal interests—financial, professional, or otherwise—could interfere with their ability to act in the best interests of the company or its clients. XBase Digital is committed to identifying, disclosing, avoiding, mitigating, and monitoring such conflicts to uphold objectivity and protect client trust.

All actual, potential, or perceived conflicts of interest must be reported and managed in accordance with this policy.

Managing Conflicts of Interest

XBase Digital manages conflicts through the following measures:

- **Disclosure:** Prompt and transparent reporting of conflicts
- **Avoidance:** Prohibition of high-risk activities where avoidance is possible
- **Mitigation:** Implementation of control measures to reduce impact
- **Monitoring:** Ongoing oversight by the Compliance Officer and Financial Controller

Disclosure Requirements

Employees and other covered individuals are required to promptly disclose any potential or actual conflicts of interest in writing. This includes, but is not limited to:

- Outside business activities
- Financial interests in competitors, clients, or vendors
- Personal or family relationships that may influence business decisions

Disclosures should be submitted to the Compliance Officer, with a copy provided to the Managing Director.

Monitored Activities

Activities identified as having a heightened risk of conflicts include:

- Personal Trading
- Insider Trading
- Preferential Treatment of Clients or Counterparties
- Outside Business Activities
- Provision of Credit or Overdraft Facilities to Clients

These activities are subject to enhanced oversight and regular review.

Mitigation Measures

To minimize the risk of conflicts of interest, XBase Digital has implemented a structured framework comprising the following key preventive measures:

- **Segregation of Duties:** Key roles and responsibilities are divided among different individuals or teams to prevent any one person from having unchecked control over a process, reducing the risk of biased or self-interested decisions.
- **Chinese Walls and Information Barriers:** Physical and procedural barriers are in place to prevent the unauthorized flow of sensitive or confidential information between departments, helping to maintain independence and prevent insider misuse.
- **Restricted Transactions:** Certain transactions, such as personal trading in sensitive or high-risk assets, are restricted or subject to additional review to avoid potential conflicts with client or company interests.
- **Independent Oversight of Decision-Making:** Major decisions, particularly those involving financial, client-facing, or strategic matters, are reviewed and approved by independent or neutral parties to ensure objectivity and fairness.
- **Pre-Approval for Outside Business Interests:** Employees must seek prior approval before engaging in external business activities, directorships, or financial interests that may conflict with their duties at XBase Digital.
- **Prohibited Conduct:** Certain actions—such as insider trading, preferential treatment, or using company information for personal gain—are strictly forbidden and subject to disciplinary action.

Resolution of Conflict of Interest

If a conflict of interest is confirmed, XBase Digital ensures a structured resolution process to mitigate risks and prevent recurrence. Following are the corrective measures taken:

- **Client Remedies:** If a client is affected, remediation efforts (such as compensation or contract modifications) are considered.
- **Restructuring Business Practices:** Adjustments to internal procedures, governance structures, or transaction flows may be implemented.
- **Disciplinary Actions:** Employees or Board members who fail to disclose conflicts or act improperly may face consequences:

- **Regulatory Reporting:** If the conflict resulted in a regulatory violation, VARA or other authorities are notified, and a compliance remediation plan is submitted.

Training

All employees are required to complete mandatory training on identifying and managing conflicts of interest. Training is delivered through virtual sessions and supported by self-learning materials, including this policy.

Implementation and Enforcement

The Compliance Officer is responsible for the implementation of this policy. Violations may result in disciplinary action, up to and including termination of employment or engagement.

Effective Date and Periodic Review

This policy is effective upon approval by the Board of Directors of XBase Digital. It will be reviewed periodically and updated as needed to reflect changes in regulatory requirements, business practices, and risk management standards.

Commitment to Integrity

By adhering to this policy, XBase Digital reinforces its commitment to ethical conduct, client-first principles, and sound corporate governance. All employees and stakeholders are expected to act in the best interests of our clients and the company at all times.