

Momentum Pensions Malta Limited

Conflicts of Interest Policy and Procedure

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01. Definitions

Conflict of Interest means a situation where Momentum or its Employees have personal interests, financial or otherwise, and serving one interest could involve working against another.

Personal Interests means any benefit or potential benefit or avoidance of loss, of a financial or non-financial nature, for the Employees, their family members and other relatives or for their circle of friends and close acquaintances.

Employees mean all permanent and temporary employees of Momentum, including Directors, senior management and all personnel.

Client(s) includes all existing members, previous members, and potential clients of Momentum.

Client Transactions means a transaction or transactions to be entered into with or on behalf of a Client.

02. Objectives of the Policy and Procedure

Due to the nature of the business activities carried out by Momentum Pensions Limited Isle of Man (hereinafter referred to as ("Momentum", "We," "Us")) there might be instances where potential situations of Conflict of interest may arise, in which case Momentum is required to manage and mitigate such situations to the best of its ability, in order to avoid causing detriment to its clients. Under the Isle of Man regulation, Momentum is required to pay due regard to the interests of each Client and to prevent or manage any Conflicts of interest fairly, both between Momentum and its Clients, as well as between different Clients..

Momentum should have policies, procedures and mechanisms in place to ensure confidentiality of its own and its clients' information and to prevent any leakage of information.

The aim of this Policy is two-fold:

- a. To identify potential situations which may constitute or give risk to a Conflict of Interest; and
- b. To set out the procedures to be followed and measures to be taken in order to manage and prevent Conflicts of Interest.

03. Scope

This Policy applies to those Conflicts of Interest that may give rise to a material risk of damage to Members' interests in the course of Momentum providing its services. A Conflict of Interest can arise between:

- Momentum's Employees or any person directly or indirectly linked to them by control, and a Client; or
- One Client of Momentum with another Client or firm.

Momentum must ensure that it does not unfairly prioritise its own interests over those of its Clients. Clients would reasonably expect Momentum to act honestly, fairly, professional and prioritise their interests above its own as per industry standards and regulatory requirements. Momentum must fulfil that expectation. Where a Conflict of Interest arises, Momentum commits to disclose this to impacted Members as necessary.

04. Regulatory Environment

This Policy has been formulated in terms of the following Regulation and Guidance Notes:

a. Financial Services Rule Book 2016, issued by the Isle of Man Financial Services Authority. Particular reference was made to the following rules:

- Rule 8.9- Conflicts of Interest Policy
- Rule 8.10- Conflicts of Interest Register
- Rule 6.11- Conflicts of Interest- General
- Rule 6.40- disclosure of Conflicts of Interest
- Rule 8.7- Remuneration Policy

This can be accessed through the following [link](#).

b. Guidance Note- Rule 8.9 on Conflicts of Interest Policy.

This can be accessed through the following [link](#).

c. Financial Services Act 2008- Guidance on the Financial Services Rule Book 2016.

This can be accessed through the following [link](#).

d. Companies Act 1931, Section 148 Disclosure by Directors of interest in Contracts. This can be accessed through the following [link](#).

05. Identifying Conflicts of Interest

Momentum shall take all appropriate steps to identify, prevent or manage Conflicts of Interest which may arise over the course of the business.

For the purposes of identifying Conflicts of Interest that arise or may arise in the course of Momentum providing its services, which may entail a material risk of damage to the interest of Clients, Momentum must take into account, at a minimum, whether Momentum, an Employee or any other person directly or indirectly linked by control to Momentum, is in any of the situations indicated in the following non-exhaustive list conflicted as a result of providing its services or otherwise:

- a. has made or is likely to make a financial gain, or avoid a financial loss, at the expense of the Client.
- b. 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.
- c. has a financial or other incentive to favour the interest of another Client or group of Clients over the interest of the Client.
- d. carries on the same business as the Client.
- e. 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.
- f. substantially involved in the management or development of policies in particular where they have influence pricing or distribution costs.

At a high level, Conflicts of Interests may therefore include but are not restricted to interests between:

- Momentum and a Client
- Momentum Employees and a Client
- Between Clients
- Third parties (including associated / affiliated companies) and Momentum's Clients
- New services / products and our Clients
- Strategic changes and our Clients

Momentum must identify and prevent Conflicts of Interest that exist in the business and put in place measures to prevent, monitor, manage and control the potential impact of those Conflicts on our Clients.

Some examples of identified conflicted situations which may arise:

1. One of the Clients could be a Director of Momentum.
2. Momentum or associated Companies of Momentum could supply services to Momentum/Clients for example Custodian Services and/or Investment Advice.
3. Where Momentum introduces a Client to another Group company e.g., Momentum introduces another Group entity/pension product to a Client when they are transferring out to another third-party Trustee.

06. Managing Conflicts of Interest

The measures for dealing with conflicts must be designed to ensure that individuals engaged in various business activities and Client Transactions, where Conflicts of Interest are present, operate with an appropriate level of independence. This level of independence must be tailored to the size and activities of Momentum, and should be aligned with the potential risks that could harm the interests of Clients.

Momentum must not unfairly place its interests above those of its Clients. Where a properly informed Client would reasonably expect that Momentum would place the Client's interests above its own, Momentum must live up to that expectation.

Momentum should endeavour to manage Conflicts of Interest which may arise from time to time, promptly and fairly. Procedures and measures must be in place to allow all Momentum Employees to raise suspected Conflicts of Interest with the Compliance Officer which will in turn be escalated to the Board of Directors for review.

Examples of measures for managing conflicts include:

- Effective procedures to prevent or control the exchange of information between relevant persons engaged in activities involving a risk of a Conflict of Interest where the exchange of that information may harm the interests of one or more Clients.
- The separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services to Clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of Momentum.
- Prevent or manage Conflicts of Interest by the establishment and maintenance of internal arrangements restricting the movement of information within Momentum. This requires information held by a person in the course of carrying on one part of Momentum business to be withheld from, or not to be used by, persons with or for whom We act in the course of carrying on another part of our business. Such an arrangement is referred to as a 'Chinese Wall' and can include hierarchical separation and physical barriers between the activities likely to involve Conflicts of Interest, thereby aiming to prevent any undue transmission of information.

6.1 Disclosure of conflicts

In accordance with the Isle of Man Financial Services Act 2008 – Guidance note on Rule 8.9, where Momentum identifies a material interest or has a relationship that gives rise to a Conflict of interest in relation to a Customer Transaction, Momentum must not knowingly enter into a transaction with or for a client unless it has:

- a) fairly and comprehensively disclosed the interest or relationship, as the case may be, to the Client; and
- b) taken reasonable steps to ensure that the interest or relationship does not adversely affect the interests of the Client.

This disclosure must be made in writing, explaining the general nature and / or sources of conflicts and the steps taken to mitigate those risks, to the Client before undertaking a Client Transaction.

Any Conflicts of Interests must be escalated to the Momentum Board of Directors and the Compliance officer in writing for review and approval. The Disclosure must:

- a. be made in a durable medium and in written form.
- b. include a specific description of the Conflicts of Interest that arise with the Client Transaction.
- c. explain the risks to the Client that arise as a result of the Conflicts of Interest.
- d. clearly explain the organisational and administrative arrangements established by Momentum to prevent or manage that conflict to ensure with reasonable confidence, that the risks of damage to the interests of the Client will be prevented.
- e. include sufficient detail, taking into account the nature of the Client, to enable that Client to make an informed decision with respect to the service in the context of which the Conflict of Interest arises and
- f. ask the Client to provide their written consent to proceed. Copies of all written communications, together with the written authorisation to proceed must be retained on the Client file.

Momentum **should treat disclosure of conflicts pursuant as a measure of last resort.** This should be used only where the effective organizational and administrative arrangements established by the firm to prevent or manage its Conflicts of Interest in accordance with the Regulation are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Client will be prevented.

6.2 Declining to act

Where Momentum considers that it is unable to prevent or manage the Conflict of Interest in any other way, Momentum must decline to act for the Client.

7. Conflicts of Interest Procedure

Employees who become aware of a Conflict of Interest when performing their professional duties shall immediately inform their immediate superiors by means of a declaration in writing, who will in turn refer the matter to the designated Compliance Officer. - Any necessary actions will be communicated to the concerned employee once the Board of Directors has reviewed the conflicted situation.

7.1 Conflicts of Interest Register

All identified and disclosed Conflicts of Interest must be recorded on Momentum's Conflicts of Interest Register.

Momentum must effectively monitor and manage Conflicts that arise during the course of its business. The Conflicts of Interest Register should contain the following information:

- a. Conflict Type.
- b. Summary of conflict.
- c. Parties involved in the conflict (company or individual)
- d. Client Name.
- e. Client Reference Number.
- f. Date of Conflict.
- g. Method of identifying the conflict.
- h. Approach to managing conflict.
- i. Whether the conflict has been disclosed to the Client.
- j. Client's decision with respect to the disclosure.
- k. Whether the conflict has been escalated to the Board.
- l. Outcome of the Board decision.
- m. Date when the conflict ceases.

8. Roles and Responsibilities

8.1 Board of Directors

A Director's primary responsibility is always to act in the best interest of Momentum. A Director is considered independent when they are free from any business, family, or relationship with the Company, its controlling shareholder, or the management that could create a Conflict of interest and jeopardize the exercise of their free judgment.

The Board of Directors should:

- a. Always strive to avoid Conflicts of Interest. If a Director becomes aware of an actual Conflict of interest, they should promptly make a declaration to the other Directors. This declaration should be made either during the meeting in which the issue related to the conflict first arises, or if the Director was not present at the time of the meeting, this should be disclosed in the next meeting.
- b. Unless otherwise agreed upon by the other Directors, a Director should refrain from participating in discussions regarding any contract or arrangement in which they have a personal interest. Additionally, the Director should excuse themselves from the meeting while the matter in which they have an interest is being discussed.
- c. The Director with a Conflict of interest should abstain from voting on any contract or arrangement in which they are personally involved. If the director does vote in such a situation, their vote should not be considered when determining the presence of a quorum at the meeting; and
- d. The minutes of the meeting should accurately document the chronological order of these events.

In accordance with the Companies Act 1931 (Isle of Man) section 184 (4) , any director who fails to comply with the provisions of the section shall be liable to (a) on information, a fine; (b) on summary trial, a fine not exceeding £5,000.

9. Compliance

Adherence to this Policy is mandatory for all Employees. A copy of this Policy should be provided to all Employees upon joining Momentum, or when there is a material amendment to this Policy.

10. Policy Review

Review of this Policy shall be carried out on a periodic basis as the need arises and to comply with relevant regulations.

Document Control

Version	Issue Date	Drafted / Issued by	Approved by	Reviewed by	Whole / Partial Amendment
1	20/12/2017	Katie Farrugia	Board of Directors	Valerie Calleja	New policy
2	22/08/2024	Luqman Khan	Board of Directors	Ray Whitfield	Partial Amendment