

Policy on Conflict of Interest for Warwyck Group

**Version 7
Date: 27 July 2023
Internal**

Document Version and control

Version: **7**

Date of Release: **27 July 2023**

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Revision History

Release	Issue Date	Change Details	Reviewed By
V1	15 September 2018	Final Version	Board of Directors
V1.1	2 October 2018	Draft	Assistant Company Secretary
V2	30 October 2018	Final	Policy & Procedure Committee
V3	6 December 2019	Annual Review	Policy & Procedure Committee
V4	18 June 2020	Annual Review	Policy & Procedure Committee
V5	24 November 2021	Annual Review	Policy & Procedure Committee
V5.1	28 September 2022	Annual Review – minor change	COO
V6	30 September 2022	Annual Review	Policy & Procedure Committee
V7	27 July 2023	Annual Review – no change	Policy & Procedure Committee

INTRODUCTION

- A. Warwyck Private Bank Ltd** (“WPBL” / the “Bank”) is licensed and regulated by the Bank of Mauritius (“BoM”) to carry on private banking business. The banking licence of WPBL under the Banking Act 2004 has been granted on the 25th April 2014.
- B.** WPBL is also holder of an Investment Adviser (Unrestricted) Licence, a Custodian Services (non-CIS) licence and a Custodian licence issued by the Financial Services Commission (“FSC”). The FSC has also issued a Representative of Investment Adviser (Unrestricted) Licence.
- C. “Warwyck Group”** comprises of Warwyck Private Bank Ltd, Warwyck Phoenix Securities Ltd, Warwyck Phoenix PCC, Warwyck Investment Holdings Ltd and Warwyck Investments. The Warwyck Group, hereby adopts this conflict of interest policy to address conflict of interest issues so as to ensure that its activities, and those of its Directors, are and are seen to be conducted to the highest standards of ethics and integrity (the “**Policy**”).
- D.** The term “**conflict of interest**” refers to a situation where a conflict arises for an individual between two competing interests. This Policy will help to ensure that if an actual or reasonably perceived conflict exists between a Director’s interests and his/her duties and responsibilities towards the Warwyck Group respective entity, the conflict of interest will be managed in an appropriate manner.
- E.** Directors are considered to be in a “**conflict of interest**” whenever they themselves, or members of their closely known family, business partners or close personal associates, may personally benefit either directly or indirectly, financially or otherwise, from their position on the Board. A Director is to use his or her best judgment in determining whether he or she is in a situation which may present, or be perceived to present, a conflict. A Director in a conflict of interest is an “Interested Director.” A conflict of interest may be “real”, “potential” or “perceived,” but the same duty to disclose applies to each should a matter arise before the Board that may pose a conflict for any Director. Full disclosure does not remove a conflict of interest, nor does it automatically create any additional obligations on behalf of a Director.
- F.** This Policy shall apply to all Directors (Executive, Non-Executive and Independent) of the Warwyck Group, for the time being, or as the case may be, the Directors assembled as a Board or as a committee of the Board.
- G.** This Policy, shall also apply to all the Employees of the Warwyck Group, even if it is not explicitly mentioned in the paragraphs, as far as practicable & reasonable under relevant laws, rules and regulations of Mauritius. For the sake of clarity employees cover both full-time & part-time employees.

H. This Policy sets out the following:

1. **Policy Statement**
2. **Rules of conduct**
3. **Procedures to Assess and Resolve Conflicts**
4. **Legal Advice**

1. **POLICY STATEMENT**

- 1.1** Each Director, by acceptance of his or her appointment to the Board, assumes the responsibility to conduct himself or herself in accordance with the highest standards of personal integrity, organizational loyalty, and ethics. This responsibility demands that each Director, in the performance of all Board duties and functions, act from a position of both independence and impartiality, in fact as well as in appearance. To meet this responsibility, each Director must avoid situations which place that Director in a position in which the Director's judgment may be biased, or appear to be so, due to any past, present, or currently planned interest, financial or personal, that is related to the performance of such Director's duties as a member of the Board. Moreover, no Director may utilize, directly or indirectly, the status of Director, or confidential information learned as a Director, in a manner that either seeks, or appears to seek individual economic gain in any respect, or preferential treatment by the Board, management or employees, regardless of whether such gain or preference is sought for himself or herself, or for any of the Director's closely known relatives or affiliates.
- 1.2** This Policy is both *directive*, in that it prescribes specific conduct, and *aspirational*, in that its goal is to ensure that a Director's actions are always motivated by the desire to achieve the best interests for the Warwyck Group. This Policy both affirms and reflects selflessness as an essential characteristic of the service that each Director is called to provide to the Warwyck Group respective entity. By assuming and fulfilling this responsibility in the performance of their duty as a Director, each Director helps to maintain public confidence in the moral and ethical integrity of the Warwyck Group in general, and of its respective Board of Directors in particular.
- 1.3** To enforce this Policy, the Board reserves the right to act to achieve the best interests of the Warwyck Group respective entity, utilizing the procedures established hereunder, whenever the Board determines that it is necessary to investigate, avoid, or rectify the occurrence of any actual or potential impropriety resulting from an actual or apparent conflict of interest.

2. **RULES OF CONDUCT**

To effectuate this Policy, the following general rules of conduct are hereby promulgated:

- (i) No Director may solicit or accept, directly or indirectly, for himself or herself, for members of his closely known family, business partners or close personal associates, any gratuity, gift, favor, entertainment, loan, or anything of monetary value from anyone who:
 - (a) has, or is seeking to establish a business relationship with the Warwyck Group;
 - (b) conducts activities that are regulated or evaluated in any manner by the Warwyck Group's respective management; or
 - (c) has interests that may be substantially affected by the performance or non-performance of the Director's duties as a member of the Board.
- (ii) No Director shall seek to obtain for, or allow to be conferred upon himself or herself, for members of his closely known family, business partners or close personal associates, a financial benefit, preferential treatment, or other advantage of any kind that is derived solely from his or her position as a Director, or from the dissemination or use of confidential information to which the Director has obtained access as a result of being a member of the Board.
- (iii) No Director may vote or participate in any deliberations concerning any transaction between the Board and the Director, or with a member of his closely known family, business partner or close personal associate or with an entity with which the Director is affiliated. Any Director who is precluded from participation under this provision shall excuse himself or herself from the meeting during any deliberations or vote of the Board concerning that transaction. Notwithstanding the exclusion of the Director from deliberations and vote on a particular matter under this provision, the Chairman of the Board, in his or her discretion, may, if that Director is otherwise present during that Board meeting, include or exclude the Director in the determination of the number of Directors present to establish the existence of a quorum for any vote concerning that transaction.
- (iv) No Director, or a member of his closely known family, business partner or close personal associate, or an entity with which the Director is affiliated, shall seek to or conduct business with the Warwyck Group, or participate in any manner in the resolution by management or employees of a non-business matter pertaining to a member of his / her closely known family, business partner or close personal associate, or an entity with which the Director is affiliated, without having submitted a request that disclosed fully the relevant facts and having obtained the approval of the Board. Should the Board approve the Director's request, the Director shall continue to be bound by the above-stated limitations upon participation in Board deliberations and votes concerning transactions in which a Director has a conflict of interest.
- (v) No Director shall make any representations or assurances to any other person or entity that, on the basis of the Director's position or authority as a member of the Board, the

person or entity can expect favorable, unfavorable, or otherwise specific treatment by Management in the conduct of business or personal matters, including, for example, receipt of a contract, provision of financial aid, access to the Warwyck Group's property for solicitation, or other similar matter.

3. PROCEDURES TO ASSESS AND RESOLVE CONFLICTS


The following procedures will be used to assess and resolve possible conflicts of interests. The first procedures identify the process to be used in the event that a Director (or a member of his closely known family, business partner or close personal associate, or an entity with which the Director is affiliated) seeks a prospective business relationship. The second set of procedures is applicable in the event that a report is received from someone other than the interested Director of an ongoing or potential conflict of interest by that Director.


3.1 Reporting, Assessing, and Resolving Potential Conflicts of Interest - Prospective Business Relations with a Director

3.11 When it is the best interests of the Warwyck Group to do so, as determined by their respective Board of Directors, a Director (or a member of his closely known family, business partner or close personal associate, or an entity with which the Director is affiliated) may be permitted to engage in a business or business-related transaction with the Warwyck Group. Any such activity shall be allowed to progress in accordance with the procedures identified below.


3.12 Before any Director initiates or participates in a transaction, arrangement or activity, with or on behalf of the Warwyck Group, in which the Director seeks, or may appear to be seeking individual economic gain in any respect, whether for himself or herself, or for any of the Director's closely known family, business partner or close personal associate, or an entity with which the Director is affiliated, the Director shall, by written report addressed to the Chairman of the Board, disclose fully to the Board the details of the transaction, arrangement, or activity and the precise nature and magnitude of the Director's interest therein. After consideration of the information provided by the Director and any other relevant, material information available, the Board shall make the following determinations:


(a) Does a conflict of interest exist within the meaning of this Policy?

 If the Board determines that the transaction, arrangement, or activity does not raise a conflict of interest within the meaning of this Policy, the file will be documented with the finding and the action will be allowed to proceed.

 If the Board determines that a conflict of interest is raised, then the Board proceeds to consider the next question.

(b) If a conflict exists, can it be mitigated to achieve the best interests of the Warwyck Group?

 If the Board determines that the conflict of interest raised by the transaction, arrangement, or activity cannot be mitigated by the use of measures described in this Policy, or by other measures that are determined under the circumstances to be both effective and reasonable to implement from the perspective of facilitating the effective administration of the Warwyck Group, the respective Board will document the file and notify the Director of its decision to disapprove the requested transaction, arrangement, or activity.

 If, however, the Board determines that the conflict of interest raised by the transaction, arrangement, or activity can be mitigated by the use of measures described in this Policy, or by other measures that are determined under the circumstances to be both effective and reasonable to implement from the perspective of facilitating the effective administration of the Warwyck Group, the respective Board will proceed to consider and allow the transaction, arrangement or activity with modifications. Options for modifications include:

- a) Disclosure of all pertinent information to other members of the Board and concerned parties to the transaction, arrangement or activity;
- b) Reduction of involvement of the interested Director in the transaction, arrangement or activity;
- c) Close monitoring of the implementation of the transaction, arrangement or activity by the Board;
- d) Divestiture of relevant personal interests of the interested Director; and/or
- e) Any such other measure, as shall deem appropriate by the Board.

The respective Board will document the file and notify the Director of its decision to allow the requested transaction, arrangement, or activity, subject to such modifications, as shall be determined by the respective Board.

3.2 Reporting, Assessing, and Resolving Conflicts of Interest – Reporting by other Directors

3.21 Each Director has the duty to become and remain aware of the contents of this Policy, and to report any possible violations of this Policy to the Board. Reports should be made promptly upon discovery of the potential violation, and, if possible, before the participation of the Interested Director in any deliberations or vote pertaining to the matter or activity that is believed to constitute a violation.


3.22 If, upon receipt of a report of possible violation of this Policy, the Board determines that there is not a reasonable basis to investigate the matter, the Chairman shall so inform the person who brought the matter to the attention of


the Board for review. If the Board determines that a reasonable basis exists to investigate the matter further, the Board shall begin an investigation of the facts and circumstances surrounding the alleged violation.


3.23 The Board, through its Chairman, shall initiate any investigation under this procedure by first contacting the affected/concerned Director and seeking confirmation, explanation, or refutation of the relevant and material facts. During this contact, the source of the information resulting in the inquiry should remain confidential. In addition to the information obtained from the affected/concerned Director, the Board should also endeavor to obtain relevant information from any other reasonably available source(s).


3.24 When the Board determines that it has obtained sufficient facts, it shall conduct the two-part analysis presented above to evaluate the allegation. In addition to consideration of the facts using those questions, the Board should also consider, if appropriate, a following third question:


If the action was improper under the terms of this Policy, do the facts indicate that the violation was intentional, *i.e.*, that it occurred under circumstances that support the conclusion that the Director's action was undertaken pursuant to a fully informed decision?

 If the Board determines that the improper action was undertaken by the affected/concerned Director pursuant to a fully informed decision, the Board shall consider that circumstance in the determination of the appropriate responsive action to take or recommend.

 The Board shall make the determinations necessary to conduct its analysis after all evidence has been gathered and considered, including any statement or other evidence provided by the affected/concerned Director. The decision of the Board should be reached by consensus, if possible. If a decision cannot be reached by consensus after a reasonable amount of deliberations, then the Board should make its decision by majority vote. Should there be a tie vote, the tie will be broken by the Chairman (or, if the Board Chairman is the subject of the inquiry, by the Vice Chairman). If consensus cannot be reached, however, and especially if the vote is tied, the Board Chairman (or Vice Chairman, as appropriate) should consider carefully whether to continue investigation and evaluation before continuing to a vote or exercising authority to break a tie.

 The affected Director shall be informed of the decision of the Board orally by the Chairman (or, if the Board Chairman is the subject of the inquiry, by the Vice Chairman). If the decision of the Board is favorable to the affected Director, the matter will be documented for the Board's files and closed. No formal report will be made to the full Board in the event of a favorable decision unless a report is requested by the affected Director.

 If the decision of the Board is unfavorable to the affected Director, a formal written report shall be made to the Board, identifying the relevant facts, the basis for the decision of the Board, and the action taken or recommended by the Board in response to the violation. The affected Director may, at his or her sole election, seek review by the full Board by filing a timely appeal, in writing, with the Secretary of the Board. An appeal requesting review by the full Board is timely if it is received by the Secretary of the Board within seven (7) days after the date of the meeting at which the formal report is provided to the Board.

 Under extreme circumstances, if the affected Director has engaged in substantially improper activity (e.g., accepting a gratuity from an entity which then obtained business with the Warwyck Group upon the undisclosed recommendation or intercession of that Director; making unauthorized representations or promises to outside entities that purportedly would bind the Warwyck Group to undertake specific action), the respective Board may terminate the Director's membership on the Board. Under these circumstances, the respective Board shall also consider whether other appropriate actions (e.g., termination of any contract awarded to the Director, or to an affiliate of the Director, as a result of improper activity) should be taken.

4. LEGAL ADVICE

Where there may be a risk of conflict of interest or perceived conflict of interest, the Board may seek legal advice to evaluate the situation and give advice on how to avoid such conflict. When decisions which involve a conflict of interest are taken by the Board, there is a probability that the decisions will be legally challenged, resulting in liability of the members of the Board.

5. EMPLOYEES

The principles and provisions of this policy shall also apply to the employees of the Warwyck Group, as far as and wherever applicable. A private banking employee has the obligation to disclose any conflict of interest that may arise in relation to his/her duties.

6. Review of the Policy

The policy will be reviewed at yearly intervals or as and when considered necessary by Management or the Board of Directors of the Bank.