



**GRAVITY** | PRIVATE WEALTH

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## Conflicts of Interest Policy

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## 1. Introduction

Gravity Private Wealth Ltd (hereinafter the "Company") is an Investment Firm incorporated and registered under the laws of the Republic of Cyprus, with registration number HE 442079. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission ("CySEC") under license number 447/24.

Pursuant to the Markets in Financial Instruments Directive (Directive 2014/65/EU) ("MiFID II") and Regulation 2014/600/EU ("MiFIR"), the Company is required to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, prevent, escalate, manage and/or disclose, conflicts of interest as part of the Company's commitment to treat its clients fairly and act on their best interest at all times.

The Conflicts of Interest Policy (the "Policy") aims to establish a framework for the members of the Board of Directors (hereinafter the "Board"), the managers and employees of the Company regarding the definition of conflicts of interest situations and understand the procedures to be followed and measures to be adopted to manage those conflicts of interest which have been identified by the Company, in order to protect the interests of clients and the Company itself.

The Company evaluates the Policy at least annually, and whenever a relevant need arises, and takes appropriate measures to address any identified weaknesses.

## 2. General Principles

### ***Purpose***

Under MiFID II / MiFIR, the Company is required to establish, implement and maintain an effective Conflicts of Interest Policy set out in writing which is appropriate to the size, organization, nature, scale and complexity of the Company's business.

This Policy aims to establish a framework for the employees of the Company to clearly understand the procedures to be followed and measures to be adopted to manage those conflicts of interest which have been identified by the Company. The Company takes all necessary measures and establishes the necessary procedures / arrangements to prevent the occurrence of conflicts of interest or resolve any existing conflicts of interest between the Company's stakeholders, or between the Company's employees or clients themselves.

The Policy:

- Identifies circumstances which may give rise to conflicts of interest including risks of material damage to clients' interests; and
- Sets out mechanisms and systems to be adopted by the Company in managing these conflicts.

This Policy is not intended to cover all eventualities and all circumstances that may be encountered.

### ***Applicability***

All employees and management of the Company should be aware of the provisions of this Policy and understand the role and importance of conflicts of interest relevant to their operations. This includes making appropriate declarations of interests, identification and management of actual, potential or perceived conflicts of interest.

The Policy and any subsequent amendments are distributed to and are binding for all employees, including the members of the Board.

It is noted that for the purposes of this Policy, the terms person(s), employees / staff members and members of the Board shall be always accompanied with the terms persons with close links / relevant persons / connected persons / person closely associated.

## **3. Definitions**

This Policy applies to all activities and services provided by the Company's staff.

For the purposes of this Policy, the following definitions are set forth.

*"Competent persons"* means:

- The managers or equivalent persons, the members of the Board, the shareholders who hold a percentage of participation or voting rights equal to or higher than 5% in the Company's share capital.
- The directors or equivalent persons, the members of the Board, the shareholders who hold a percentage of participation or voting rights equal to or higher than 5% in the share capital of the companies of the Group to which the Company belongs (which provide investment services or carry out investment activity).
- The employees of the Company who provide investment services and the employees of the companies of the Group to which the Company belongs, which provide investment services or carry out investment activity on behalf of the Company.

- The natural persons directly involved in the provision of services to the Company or the companies of the Group to which the Company belongs, which provide investment services or carry out investment activity on behalf of the Company.

"*Related persons*" to a competent person means the following:

- The spouse or partner of the competent person who is assimilated to a spouse according to the applicable legislation.
- The dependent children and dependent stepchildren of the responsible person (minor children and children who are studying or supported by the responsible person).
- The other relatives of the competent person, who, on the date of the relevant personal transaction, resided, for at least one year, in a common family home with the competent person.

A "*Person closely associated*" in accordance with MAR means:

- a spouse, or a partner considered to be equivalent to a spouse in accordance with national law;
- a dependent child, in accordance with national law;
- a relative who has shared the same household for at least one year on the date of the transaction concerned; or
- a legal person, trust or partnership, the managerial responsibilities of which are discharged by a person discharging managerial responsibilities or by a person referred to in point (a), (b) or (c) above, which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.

A "*Relevant person*" means, in relation to the Company, any of the following persons:

- a member of the Board, partner or equivalent, manager or tied agent/appointed representative (where applicable) of the Company;
- a shareholder with a holding of 5% or more of the shares or voting rights of the Company, held either individually or jointly with their Related Persons;

A "*Durable Medium*" means any instrument which:

- enables the Company to store information addressed personally to that client in a way accessible for future reference and for a period of time adequate for the purposes of the information; and
- allows the unchanged reproduction of the information stored.

For example, paper, emails, electronic documents/PDFs, CD-ROMs, floppy-disks.

A "*personal transaction*" means a transaction in financial instruments, which is carried out by or on behalf of a competent person, provided that at least one of the following criteria is met:

- The competent person acts outside the scope of the activities, which they carry out in this capacity.
- The transaction is carried out on behalf of one of the following:
  - the competent person,
  - any person related to the relevant person,
  - person, whose relationship with the relevant person is such that the relevant person has a direct or indirect material interest that is affected by the outcome of the transaction, beyond the remuneration or commission for the execution of the transaction.

"*Client*" means any natural person or legal entity to whom the Company provides investment or ancillary services.

## 4. Regulatory Framework

The Policy has been prepared in accordance with the following laws, regulations, directives and guidelines:

- Law which provides for the provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and other related matters L. 87(I)/2017);
- Regulation (EU) No 600/2014 of the European Parliament and of the Council, of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (MIFIR);
- Directive 2014/65/EU of the European Parliament and of the Council, of 15 May 2014 on Markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (MIFID II);
- Commission Delegated Regulation (EU) No. 2017/565 of 25 April 2016, supplementing Directive 2014/65/EU of the European Parliament and of the Council;
- Regulation No 596/2014 on market abuse, the Directive 2014/57/EU of the EP and the Council of 16 April 2014 on criminal sanctions for market abuse and Other supporting Market Abuse Delegated Regulations (together "Market Abuse Regulations" or "MAR"); and
- Other laws, directives and circulars issued by the European Securities and Markets Authority ("ESMA") and the Cyprus Securities and Exchange Commission ("CySEC") from time to time, applicable to this Policy.

## 5. Roles and Responsibilities

### ***Responsibilities of the Board***

The Company's Board is responsible for the approval of this Policy and any subsequent amendments / revisions.

In addition, the Board has the responsibility, amongst others, to ensure:

- the overall implementation of the Policy;
- that the Policy is effectively communicated to all directors and employees of the Company;
- compliance with the provisions stipulated in the Policy;
- the timely and effective training and education of the concerned employees; and
- that disciplinary measures are taken and enforced when rules are not followed by employees.

### ***Responsibilities of the Board and Senior Management***

The Board and Senior Management of the Company have the responsibility of:

- ensuring that an organisational structure is in place securing the effective implementation of the provisions of this Policy;
- securing effective segregation of duties and reporting lines so that cases of inappropriate roles which might give rise to conflict of interest among staff members are prevented;
- exercising effective oversight over the Company's conflicts of interests related arrangements and controls;
- undertaking training and education in connection with this Policy; and
- ensuring that disciplinary measures are taken and enforced when rules are not observed by employees.

### ***Responsibilities of the Regulatory Compliance & AML Department***

The Regulatory Compliance & AML Department has the responsibility to:

- ensure that the provisions stipulated in this Policy are followed at all times;
- review the implementation of the Policy in order to ensure compliance with the applicable regulatory requirements;



- periodically evaluate the effectiveness of the Policy and adopt any alternative or additional measures as are necessary and appropriate;
- recommend amendments/revisions to the Policy;
- providing advice in relation to the implementation of this Policy; and
- make available the above information to the relevant Competent Authority, if requested.

Further to the above, the AML and Compliance Officer has the responsibility to:

- regularly assess the compliance level of the employees / departments, in connection with the provisions of investment and/or ancillary services and report to the Directors incidents pertaining violation of the Policy;
- perform an independent review with regards to employees' Personal Transactions to ensure that they are not related to transactions carried out for or on behalf of clients and that do not breach the Company's relevant rules.
- maintain and update the Restricted List, as the case may be, and circulate it to all employees on a regular basis;
- ensure that all relevant details in relation to any gifts or other benefits received/given from/to Relevant Persons by existing or potential clients.

### ***Responsibilities of all employees***

Employees are responsible for identifying and managing conflicts of interest on an ongoing basis and the Company requires that all employees:

- comply with this Policy, rules and other applicable policies and procedures relating to the identification, documentation, escalation and management of conflicts of interest;
- act with integrity and exercise good judgement and discretion in line with the values and beliefs;
- act with the requisite degree of independence and objectivity when discharging their responsibilities;
- avoid situations giving rise to conflicts of interest wherever possible and not allow:
  - personal financial interest;
  - family members or close personal relationships;
  - previous, current or potential future involvement in an activity or endeavour; or



- different roles and responsibilities at the Company,
- to compromise or otherwise call into question their judgement, ability to act objectively or properly discharge their duties and responsibilities owed to the Company and/or clients, or otherwise give rise to the risk of reputational damage to the Company including the risk of the appearance of impropriety around the manner in which business is awarded to or by the Company or of the Company having obtained an improper advantage or treatment;
- immediately notify their AML and Compliance Officer of the existence and general nature of an actual or potential conflict of interest;
- not be in a supervisory, subordinate or control relationship (having influence over conditions of employment) with closely related persons including family members or close personal relationships;
- not misuse information obtained in the course of working at the Company including in connection with dealing in securities;
- manage work-related information on the basis of the Company's "Need to Know" principle, respecting information barriers and duties of confidentiality at all times;
- challenge and escalate promptly issues of concern to their supervisors and the Regulatory Compliance & AML Department so that conflicts of interest may be appropriately reviewed, managed and resolved; and
- upon joining the Company and on a periodic basis thereafter, complete all attestations required by the Regulatory Compliance & AML Department, including, where relevant, attesting to the completeness and accuracy of any relevant disclosures and questionnaires in relation to this policy within the timeframes set by the Regulatory Compliance & AML Department.

## 6. Identification of Conflicts of Interest Situations

### ***Definition of Conflict of Interest***

A conflict of interest means any situation that may arise during the provision of an investment and/or ancillary service in the context of the Company's activities, in which the personal interest of a competent person is or may be contrary to the interest of the Company or a client. A situation of conflict of interest also arises in the case where the Company acts in the interest of a client and at the same time the interests of another client are harmed or may be harmed.

### ***Conflict of Interest Situations***

Under MiFID II, a conflict of interest will arise where there is a conflict of interest:

- between the interests of a firm, certain persons connected to it or a member of the firm's group and a duty owed to a client; or
- between the differing interests of two or more of a firm's clients, to each of whom the firm owes a duty, where the conflict of interest might damage or adversely affect either of their respective interests.

Also, and according to the provisions of MiFID II, an Investment Firm is required to take all appropriate measures to identify, prevent and manage any conflicts of interest. Such measures would entail amongst others, a series of administrative and organizational measures / procedures relevant to each type of conflicts of interest.

For the purposes of identifying the conflicts of interest that arise (or may arise) in the course of providing an investment and/or ancillary services to a client and the existence of which may harm the client's interests, including the customer's sustainability preferences, the Company is required to take into consideration whether the Company, or a Relevant Person, or a person directly or indirectly linked by control to the Company:

- is likely to make a financial gain or avoid a financial loss at the customer's expense;
- has an interest, as regards the outcome of a service provided to the client or a transaction carried out on behalf of the client, which is different from the client's interest in that outcome;
- has a financial or other incentive to favor the interests of another customer or group of customers at the expense of the customer's interests;
- engages in the same business activity as the customer, and/or;
- receives or will receive from a third party consideration related to a service provided to the customer, in the form of monetary or non-monetary benefits or services;
- engages or attempts to engage in Insider Dealing and misuse of Inside Information, recommends that another person engages in Insider Dealing or induces another person to engage in Insider Dealing and Market Manipulation with the purpose of deriving personal benefit or benefit of the Company or a client / third party.

### ***Types of conflicts of interest***

The Company has identified the following main types of conflict of interest applicable to them, in relation to the different areas the Company operates in:

- Conflicts in dealing in any capacity;

- Conflicts arising out of the charges for fees and commissions;
- Conflicts arising in relation to inducements; and
- Conflicts arising from personal account dealing.

Under MiFID II, a conflict of interest may arise, where there is a conflict:

- between the interests of the Company, certain persons connected to it or a member of the Company's group and the interests of a client;
- between the interests of two or more of the Company's clients, to each of whom the Company owes a duty, where the conflict of interest might damage or adversely affect either of their respective interests;
- between the Company's employees, or between the Company and its employees;
- between the Company and a member of its Board or the Company and a member of its Senior Management;
- between the Company and its clients as a result of the various activities and roles of the Company in any capacity.

### ***Examples of conflicts of interest***

The situations / events set out below represent a non-exhaustive list of situations / events where conflicts of interest may arise:

Between the Company and its employees or between the Company's employees:

- an employee simultaneously performs executive and controlling functions which might allow performing functions with the purpose of deriving a personal benefit;
- an employee's interest in the outcome of an activity or endeavour differs from the Company's interest;
- an employee simultaneously takes a position at the Company, at the Company's client (when the Company provides its products or services) or at the Company's counterparty (when the Company purchases goods, works or services);
- an employee exceeds his / her functions as set out by his / her employment agreement with the purpose of deriving personal or any other benefit;
- an employee receives a financial or other significant benefit as a result of the employee's position at the Company that is inappropriate in nature;

- interests of a certain employee that could impair his or her judgment or objectivity in carrying out his / her duties and responsibilities to the Company;
- an employee interferes with the due and timely performance by another employee of his/her functions with the purpose of deriving personal benefit;
- an employee promotes delivery of services which are no longer in the best interests of the Company with the purpose of deriving personal benefit.

Between the Company or its employees with the Company's clients:

- interests of a certain client are preferred to those of another client with the purpose of deriving personal benefit by an employee;
- interests of a certain employee are preferred to those of a client with the purpose of deriving personal benefit by such employee;
- where the Company receives inducements i.e. fee, commission or non-monetary benefit for services provided to clients;
- a monetary or non-monetary inducement is received from a person other than the client in relation to a service provided to a client;
- the Company wishing to make investment for its own account in financial instruments in which clients/counterparties are also seeking to invest;
- the employee recommends or advises the client to purchase products or services developed by the Company's group company, including recommending these ahead of products or services developed by third parties.

## **7. Measures to Ensure the Avoidance of Conflicts of Interest Situations**

The Company, taking into account the nature, scale and complexity of its business activities, as well as the nature and range of investment and ancillary services it undertakes in the context of these business activities, takes all necessary administrative and organizational measures and establishes the necessary procedures / arrangements in order to prevent the occurrence of conflicts of interest or manage actual conflicts of interest between the Company's stakeholders.

Also, the Company ensures the existence of an adequate organizational structure that oversees situations of conflict of interest and ensures independence in the provision of investment or ancillary services.

### ***Separation of Functions***

The Company's Units implement adequate procedures to ensure that they act independently of the interests of clients:

In this context, defined procedures are applied such as:

- (a) the separate supervision of competent persons whose main tasks include carrying out activities on behalf of clients or providing services to them, where the interests of such clients may conflict or where such clients represent different interests, and
- (b) the avoidance or control of the simultaneous or successive participation of a competent person in separate investment or ancillary services when such participation may lead to situations of conflict of interest or hinder the proper management of such situations.

### **Chinese Walls**

The Company's employees are under a general duty to respect the confidentiality of client information and not pass it on or use it inappropriately. In certain particularly sensitive areas, the Company has adopted more specific procedures, commonly known as "Chinese Walls", to prevent or control the exchange of information between relevant persons engaged in activities involving a risk of conflict of interest where the exchange of that information may harm the interests of one or more clients.

In this context, the Company establishes restrictions on the circulation of information ("Chinese Walls") and takes measures to ensure the above, such as:

- (a) the prohibition of the exchange of information between persons engaged in activities involving a risk of conflict of interest when the exchange of such information may harm the interests of one or more clients;
- (b) restricted access to documents and information, including electronic documents. In particular, unique usernames and passwords are assigned to employees to restrict access to computers in each area of the Company's offices. Care should be taken to use appropriately complex passwords. Passwords should not be disclosed to others under any circumstances. Where appropriate, electronic access to certain computer drives and folders may be restricted to authorised persons. Also, access to the premises and the computer network of the Company during weekends or public holidays is granted only if permission by an authorised person is obtained in advance;
- (c) where documents and papers relating to conflict of interest needs to be destroyed, they must be shredded and properly disposed of. In addition, sensitive documents should only be printed in local printers, and where relevant to the dedicated printers within the applicable controlled area and should be promptly collected from the printer;



- (d) the prohibition on any employee and executive of the Company to use, communicate or recommend for acquisition or granting privileged information that they possess, with the purpose of acquiring or granting, directly or indirectly, financial instruments,
- (e) the preparation of statements with persons possessing information as well as the obligation to strictly observe professional secrecy and the confidentiality of the information they acquire in the context of their responsibilities;
- (f) shall conflict of interests need to be disclosed to parties outside the Chinese Wall, prior approval needs to be sought from the AML and Compliance Officer and the relevant parties must be informed as to the sensitive nature of the information given to them;
- (g) acknowledgements by employees of receipt of policies of conflicts of interest;
- (h) separate management and supervision of employees on different sides of the Chinese Wall;
- (i) Watch Lists and Restricted Lists should be updated on a continuous basis so as to help the Company detect and prevent the misuse of Inside Information on time;
- (j) Unauthorised persons and members of staff of other departments are not allowed to enter the premises of the Company or other departments unless accompanied and supervised by relevant members of staff;
- (k) In case of absence of an employee from his/her working place for a long period of time, access to the Company's network is suspended until his/her return, or access is granted to another employee.

The transfer of information between the "Chinese Walls" is allowed only in cases where an investigation/control is carried out by the local supervisory authorities and the Regulatory Compliance of the Company or for the completion of the provision of a service where it is necessary to transfer information between the "Chinese Walls".

### ***Personal Transaction Settings***

The Company ensures that the competent persons do not carry out personal transactions that fall under at least one of the following categories:

- (a) That person is prohibited to enter into it under the current applicable laws, as well as the Market Abuse Regulations (Regulation (EU) No 596/2014), which are transactions, placing of orders or any other behaviour, which:
  - Inside Information is used, directly or indirectly, for the purchase or sale of Financial Instruments to which the said information relates to;

- ✓ Give, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a Financial Instrument, or which secures, or is likely to secure, the price of one or several Financial Instruments, at an abnormal or artificial level, unless the person entering into a transaction, placing an order to trade or engaging in any other behaviour establishes that such transaction, order or behaviour have been carried out for legitimate reasons, and conform with an accepted market practice as established by CySEC;
  - ✓ Employ a fictitious device or any other form of deception or contrivance.
- (b) the transaction involves the misuse or improper disclosure of confidential information;
  - (c) the transaction contravenes or is likely to contravene an obligation the Company is subject to under Directive 2014/65/EU and Law 4514/2018 .

The Company ensures that the competent persons do not advise or recommend, outside the normal scope of their work, a related person or any other person to execute a transaction in financial instruments, which if it were a personal transaction of the competent person, would fall under the above transactions.

The Company ensures that the competent persons do not disclose, except within the normal framework of their work, any information or opinion to a related person or any other person, when the competent person knows or reasonably should know, that after the disclosure of such information the other person would likely take one of the following actions:

- (a) to execute a transaction in financial instruments which, if it were a personal transaction of the competent person, would fall under the above transactions,
- (b) advise or assist another person to carry out such a transaction.

In addition, the Company prohibits the transactions of authorized persons, when they:

- (a) are going to create a situation of conflict of interest with customers of the Company,
- (b) affect the reputation or interests of the Company;
- (c) affect his duties and responsibilities in the Company.

Every competent person must be aware of the restrictions on personal transactions, as well as the measures and disclosures required in accordance with the above. The competent persons immediately inform the AML and Compliance Officer about any personal transaction. In this context, the AML and Compliance Officer keeps a record of the personal transactions communicated to him or detected in any other way by the Company, including any approval or prohibition of such a transaction.



The above does not apply to the following personal transactions:

- (a) personal transactions carried out in the context of the provision of free portfolio management services when there is no prior notification in relation to the transaction between the portfolio manager and the competent person or other person on whose behalf the transaction is carried out,
- (b) personal transactions in undertakings for collective investment in transferable securities (UCITS) or AIFs subject to supervision under the law of a Member State which requires an equivalent level of risk allocation to their assets, provided that the competent person and any other person on whose behalf they are executed transactions does not participate in the management of this organization.

### ***Remuneration Policy***

The Company recognises that remuneration is a factor that may influence the conduct of its employees.

The Company takes the necessary measures, so that the remuneration, evaluation method and assigned responsibilities do not encourage staff behaviors that may lead to situations of conflict of interest or the taking of excessive risks.

The Company's Remuneration Policy seeks to ensure the removal of any direct link between the remuneration of relevant persons principally engaged in one activity and the remuneration of, or revenues generated by, different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities.

For more details, refer to the Company's Remuneration Policy.

### ***Inappropriate Influence***

The Company has adopted a general principle that no employee may exert or threaten to exert inappropriate influence over another employee whether that other person works within the same business area.

For this purpose, influence shall be regarded as inappropriate if either:

- the end sought to be achieved by the influence is inappropriate. This would include cases where the end sought would result in a breach by the influenced person of any duty owed by that person or by the Company; or
- the nature of the influence is per se inappropriate. This would include all forms of harassment, threatening behaviour, blackmail or other illegal action.

***Gifts, Entertainment and Inducements***

A conflict of interest may arise where an employee receives or offers a gift or entertainment that constitutes an inappropriate incentive. It is the Company's policy not to permit the offering or acceptance of gifts or entertainment by an employee unless it is reasonable, proportionate and for a legitimate business purpose.

Where applicable, employees must obtain the AML and Compliance Officer's pre-approval for gifts and entertainment, whereas an approval will not be granted in case such gifts and entertainment is seen to give rise to an actual or potential conflict of interest, or it is inappropriate in nature or otherwise breaches any of the Company's policies / procedures.

Employees are prohibited from offering, giving, soliciting or accepting an inducement, gift or benefit if it is likely to materially conflict with any duty that the employee or the Company owes to its clients. Relevant inducements include inducements received by the Company or its employees from clients and third parties as well as inducements given by the Company or its employees to other Company's employees, clients and third parties.

Systems, controls and procedures are in place to identify and manage the conflicts of interest that will arise when providing an investment service to an investment client to participate in a new issue, where the Company receives commissions, fees or any monetary or non-monetary benefits in relation to arranging the issuance.

In case where the Company, decides to proceed with obtaining/receiving investment research from a third party, it shall be ensured that the provision of research by third parties to the Company shall not be regarded as an inducement if it is received in return for either of the following:

- direct payments by the Company out of its own resources;
- Any commissions, fees or monetary or non-monetary benefits must comply with the inducements requirements as laid down in MiFID II, i.e. the payment or benefit:
  - should be designed to enhance the quality of the relevant service to the client; and
  - should not impair compliance with the Company's duty to act honestly, fairly and professionally in accordance with the best interest of its clients.

Information on any inducement over EUR200 or equivalent, which has prior been approved by the AML and Compliance Officer, shall be kept by the latter.

***Corruption and Bribes***

Soliciting, offering, paying or accepting bribes are not acceptable behaviours by the Company. Company's employees are not allowed to solicit, accept, offer, promise or pay a bribe, either directly or through a third party.

***Independence***

The Company ensures that its employees are carrying on investment business in such a way so as to act in the best interests of the client at all times and to ignore any conflicting interest of the Company or of the relevant employees to the extent that the same would conflict with such duty to the client.

***Watch list and Restricted list***

The Company shall maintain, as the case may be, a Watch List, which enables the Regulatory Compliance & AML Department to closely scrutinize and monitor the business activities and cancel or amend any orders concerning a financial instrument of companies / issuers on the Watch List. Regardless of whether a Financial Instrument is placed on the Watch List, the Chinese Walls procedures must be strictly observed until either the "inside" information has been disclosed publicly by the Company or broadly disseminated.

The Company shall also maintain, as the case may be, a Restricted List. Unlike the Watch List, the Restricted List provides the mechanism to communicate and apply any restrictions that may relate to certain business activities. Except where the Company receives an unsolicited agency order in securities on the restricted list, no member of staff may, either for the Company's account, or their own personal account deal in any security included on the restricted list.

The Restricted list includes varying levels of limitations based on legal, regulatory and business reasons. It may include all an issuer's outstanding securities or certain classes of such securities. The Company places issuers under restriction from time to time for various reasons, for example:

- A material transaction in which the Company is involved in has been generally disclosed and the Company is in possession of, or may obtain, material (i.e. IPO, mergers, bankruptcies, legal filings, projected earnings etc.), non-public information concerning the securities issuer (thus putting it in the position of someone capable of insider trading); or
- The Company is engaged with the issuer on non-public activity, such as underwriting activities or other distribution of the issuer's securities.

The Restricted list is maintained by the AML and Compliance Officer. Any person may request the inclusion of an issuer or security in the Restricted List where they consider it is appropriate that dealings in the

relevant security would be inappropriate in the light of an assignment taken on by the Company. The final decision rests with the AML and Compliance Officer. The Restricted List is circulated to all employees on a regular basis.

***Other organisational and administrative arrangements designed to identify and manage conflicts of interest***

Training

The Company provides the necessary training and information related to conflicts of interest issues to its employees and all Relevant Persons. Such training sessions are critical in ensuring that employees are able to identify and escalate conflicts of interest and are aware of the processes by which conflicts of interest are identified, escalated and resolved.

Whistleblowing

The Company handles any reported breaches of this Policy according to its Whistleblowing framework, where employees are encouraged to report issues related to conflicts of interest and consult with employees of the Regulatory Compliance & AML Department accordingly, on a confidential basis.

Declining to act

Where it is determined that the Company is unable to manage a conflict of interest using one of the methods described above, it should decline to act on behalf of the client.

***Outsourcing***

Upon approval by CySEC, the Company may decide to outsource certain supporting activities.

By outsourcing some of its functions and activities, the Company acknowledges that it shall remain fully responsible for discharging all of its obligations under the Law and comply with the conditions relevant to potential conflicts of interest, and in particular the outsourcing must not result in the delegation by Senior Management of its responsibility and accountability, and the Company shall maintain control of the activity outsourced at all times.

The Company prevents conflicts arising regarding the selection of a service provider by not accepting or providing fees, commissions and non-monetary benefits which do not directly enhance the service offered.

## **8. Policy Violations**

Where an allegation is made to the effect that an employee has violated this Policy, whether or not this is intentional, the matter shall be dealt with under the Company's internal rules. Where, after an internal

investigation and subsequent disciplinary hearing, the allegation is upheld, the employee will be subject to a disciplinary action or penalties, which can include termination of employment.

Remedial and / or disciplinary action (where applicable) against employees and members of management and third parties may also include reimbursement or litigation, depending on the severity of the incident.

The employees of the Regulatory Compliance & AML Department are responsible to review the implementation of the policies and suggest changes to the policy where necessary. In addition, they are responsible to report to Management incidents pertaining to violation of the Policy.

## 9. Disclosure of Conflicts of Interest

Conflicts are considered at the beginning of the Company's relationship with the client and prior to the client's onboarding or may become so over time.

In cases where despite the implementation of the required measures taken to avoid or manage a conflict of interest, the measures may not be sufficient to ensure that the potential conflict of interest does not adversely affect the client's interests. In these cases, the Company ensures the immediate disclosure of the potential conflict of interest to the client and their formal consent is necessary.

Said disclosure includes the description of the conflict of interest situation that may arise during the provision of the investment or ancillary services, explaining the general nature and source of the conflict of interest, the possible risks arising as a result of it depending on the nature of the client as individual, professional or eligible counterparty, and the steps taken to mitigate these risks. The above disclosure includes sufficient detail to allow the client to make an informed decision about continuing or discontinuing the investment or ancillary service in which the conflicts of interest arise (see Annex I).

As mentioned above, in case of a disclosure where the existing organizational or administrative arrangements are not considered enough to manage and mitigate any conflict, the notification / disclosure shall also include the steps taken by the Company to mitigate those risks before undertaking business on its behalf. Such mitigation procedures may include:

- full internal investigation within the Company by the AML and Compliance Officer of the conflicts arisen, as well as any proposal of suggested remedial or disciplinary actions;
- four-eye principle supervision by the Company's senior management, and/or Board, if considered necessary; or
- investigation by an external independent body (i.e. internal/external auditors).

Over-reliance on disclosure of conflicts of interest is considered a deficiency under MiFID II and appropriate controls and measures are followed to identify the conflicts prior to disclosure. Measures in place include information barriers or physical separation of certain departments

Each employee must notify the AML and Compliance Officer of any actual, potential or apparent conflict of interest so that the required measures are taken immediately in accordance with the Policy.

## **10. Recording Incidents of Conflict of Interest**

The AML and Compliance Officer is committed to full transparency in its activities and in doing so, keeps a file where the cases of conflict of interest are recorded, which is likely to cause or has caused a risk of damage to the interests of one or more clients or in the case of continued provision of the service, in respect of which a conflict of interest may arise. This file is updated on a regular basis.

The AML and Compliance Officer shall be responsible for updating the relevant Conflicts of Interest file. It is the responsibility of the AML and Compliance Officer to prepare and distribute to the Company's Board a written on a regular basis, and at least annually, regarding conflict of interest situations, as well as the measures taken to prevent and manage these cases.

## **11. Update of the Policy**

The Company acknowledges its responsibility to establish, implement and maintain an effective written Conflicts of Interest Policy. This Policy is created, owned and maintained by the Regulatory Compliance & AML Department, which is responsible for maintaining version series, original requests, and supporting documentation with all relevant approvals of this Policy. In addition, Senior Management is responsible for the effective implementation and supervision of these procedures as well as the policies and procedures developed.

The Policy is reviewed at frequent intervals to assess its appropriateness as regards the mix of services offered by the Company. In addition, the Policy will be updated whenever such a need arises and clients are notified in writing.

Some of the circumstances that can trigger the review process is the change in the service and product mix of the Company, the identification of situations that are not adequately captured in the Policy and updates in the applicable legislative and regulatory framework.



## Annex I

### Disclosure of Conflict of Interest

To: .....

Nature of Conflict:

.....  
.....

Conflict Source: .....

.....

Potential Risks:

.....  
.....

Measures taken to limit the Risks: .....

.....

It is noted that the measures and procedures established for the prevention or management of said conflict are not sufficient to ensure, with reasonable certainty, the avoidance of risk of damage to your interests.

Date:

..... / ..... / .....

Signature of representative:

.....

### Investment Service Acceptance :

YES NO

Customer signature:

.....