



**SC Workwealth Management Limited**

**CONFLICT OF INTEREST POLICY**

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## 1 Introduction

SC Workwealth Management Limited (“the Company”) is a company incorporated in Cyprus with incorporation number HE431951.

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”) sets out the manner according to which the Company will:

- identify situations where actual or potential conflicts of interest may arise and can potentially result in a threat against the best interests of the client;
- adopt adequate procedures, mechanisms and systems to identify and manage such conflicts of interest;
- develop procedures and systems to proactively prevent potential damage from any case of conflicts of interest; and
- monitor on an on-going basis the effectiveness of the controls and measures established around the identification, prevention and disclosure of conflicts of interest.

In cases where there are references in any of the internal policies and procedures of the Company in relation to issues covered by this Policy, which were approved prior to the approval of this Policy, the provisions of this Policy will prevail.

## 2 Purpose of this Policy

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 administrative and organizational 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 Company has adopted a conflicts of interest policy (the “Policy”) which:

- 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 document is not intended to cover all eventualities and all circumstances that may be encountered.

### 3 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);
- 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.

### 4 Definitions

Term	Definition
<b>Close links</b>	<p>Close links means a situation in which two or more natural or legal persons are linked by:</p> <ul style="list-style-type: none"> <li>• participation in the form of ownership, direct or by way of control, of at least 20% of the voting rights or capital of an undertaking;</li> <li>• control which means the relationship between a parent undertaking and a subsidiary, in all the cases referred to in section 148 of Company Law and Article 22 (1) and (2) of Directive 2013/34/EU, or a similar relationship between any natural or legal person (Person) and an undertaking, any subsidiary of a subsidiary undertaking also considered to be a subsidiary of the parent undertaking which is at the head of those undertakings;</li> <li>• a situation in which two or more natural or legal persons are permanently linked to one and the same person by a control relationship.</li> </ul>

Term	Definition
<p><b>Connected Persons</b></p>	<p>In accordance with the “Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms” a “group of connected persons” means:</p> <ul style="list-style-type: none"> <li>• two or more natural or legal persons who, unless it is shown otherwise, constitute a single risk because one of them, directly or indirectly, has control over the other or others; or</li> <li>• two or more natural or legal persons between whom there is no relationship of control as described in point (a) but who are to be regarded as constituting a single risk because they are so interconnected that, if one of them were to experience financial problems, in particular funding or repayment difficulties, the other or all of the others would also be likely to encounter funding or repayment difficulties.</li> </ul> <p>The interests of the persons listed below are connected in such a manner that they are considered as one person and constitute a single risk. These cases should not be considered as exhaustive:</p> <ol style="list-style-type: none"> <li>a. an individual borrower / director of the Company and/or his/her spouse and minors,</li> <li>b. an individual borrower / director of the Company and a partnership or joint venture or other business association or enterprise in which the individual borrower / director of the Company or his/her spouse and minors is a partner or a member or director or has control in any other way,</li> <li>c. an individual borrower / director of the Company and a company in which the individual borrower / director of the Company is a manager or has a material interest either on his/her own or together with his/her spouse and minors or together with any partners,</li> <li>d. a borrower being a legal entity and its holding company, their subsidiaries or fellow subsidiaries or associated companies or other entities, which have a material interest in the said borrower.</li> </ol>
<p><b>Durable Medium</b></p>	<p>Durable Medium means any instrument which:</p> <ol style="list-style-type: none"> <li>a. 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</li> <li>b. allows the unchanged reproduction of the information stored.</li> </ol> <p>For example, paper, emails, electronic documents/PDFs, CD-ROMs, floppy-disks.</p>

Term	Definition
<b>Investment Research</b>	<p>Investment Research means, under MiFID II, research or other information recommending or suggesting an investment strategy, explicitly or implicitly, concerning one or several Financial Instruments or the issuers of Financial Instruments, including any opinion as to the present or future value or price of such instruments, intended for distribution channels or for the public, and in relation to which the following conditions are met:</p> <ol style="list-style-type: none"> <li>a. the research or information is labelled or described as Investment Research or in similar terms, or is otherwise presented as an objective or independent explanation of the matters contained in the recommendation;</li> <li>b. if the recommendations in question were made by an investment firm to a client, it would not constitute the provision of Investment Advice for the purposes of MiFID II.</li> </ol> <p>For the purposes of this Policy, references to Investment Research or Information recommending or suggesting an investment strategy or Investment Recommendation shall mean “Investment Recommendation(s)” or “Investment Research” or “Investment Recommendations / Investment Research”.</p>
<b>Personal transaction</b>	<p>Personal transaction means a trade in Financial Instruments effected by or on behalf of a Relevant Person, where at least one of the following criteria are met:</p> <ul style="list-style-type: none"> <li>• The Relevant Person is acting outside the scope of the activities he carries out in his professional capacity;</li> <li>• The trade is carried out for the account of any of the following persons: <ul style="list-style-type: none"> <li>○ The Relevant Person;</li> <li>○ Any Related Person, or a person with whom he has Close links or is Person closely associated with;</li> <li>○ A person whose relationship with the Relevant Person is such that the Relevant Person has a direct or indirect material interest in the outcome of the trade, other than a fee or commission for the execution of the trade.</li> </ul> </li> </ul>
<b>Person closely associated</b>	<p>Person closely associated means, in accordance with MAR means:</p> <ol style="list-style-type: none"> <li>a. a spouse, or a partner considered to be equivalent to a spouse in accordance with national law;</li> <li>b. a dependent child, in accordance with national law;</li> </ol>

Term	Definition
	<p>c. a relative who has shared the same household for at least one year on the date of the transaction concerned; or</p> <p>d. 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.</p>
<p><b>Relevant person</b></p>	<p>Relevant person means, in relation to the Company, any of the following persons:</p> <ul style="list-style-type: none"> <li>• a member of the board of directors, partner or equivalent, manager or tied agent/appointed representative (where applicable) of the Company;</li> <li>• 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;</li> <li>• an employee of the Company or of a tied agent/appointed representative, as well as any other natural person whose services are placed at the disposal and under the control of the Company, or a tied agent/appointed representative of the Company who is involved in the provision by the Company of Investment Services or/and the performance of Investment Activities;</li> <li>• a natural person who is directly involved in the provision of services to the Company or to its tied agent/appointed representative under an Outsourcing arrangement for the purpose of the provision by the Company of Investment Services or/and the performance of Investment Activities;</li> <li>• any person who by virtue of their relation with the Company (e.g. employees, managers, shareholders, associates, members of the Board of Directors) possesses Inside Information while he / she knows, or ought to have known that it is Inside Information.</li> </ul>
<p><b>Unlawful disclosure of inside information</b></p>	<p>Unlawful disclosure of inside information arises where an employee possesses inside information and discloses that information to any other person, except where the disclosure is strictly made in the normal exercise of an employment, profession or duties (on a need-to-know basis), and the recipient of the inside information is under a duty of confidentiality (e.g. an employment contract or a nondisclosure agreement).</p>

## 5 Policy application

### *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 members of Senior Management and members of the Board of Directors).

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

If you would like further details on the Conflicts of Interest Policy, please contact our Head of Compliance and AML.

### *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.



## 6 Roles and responsibilities

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

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

In addition, the BoD 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 General Manager and Senior Management***

The General Manager and Senior Management 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 Compliance and AML Department***

The Compliance and 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;
- maintain and update the Conflicts of Interest Register;
- 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 Head of Compliance and AML Department 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 General Manager incidents pertaining violation of the Policy;
- perform an independent review with regards to:
  - transactions carried out for the Company's own account so as to ensure that they are not related to transactions carried out for or on behalf of clients;
  - 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 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 or third parties, are disclosed/declared, and are adequately documented.

### ***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 Head of Department and/or the Head of Compliance and AML 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 Compliance and 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 Compliance and 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 Compliance and AML Department.

## 7 Identification of conflicts of interest

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.

In view of the above, and for the purpose of identifying the conflicts of interest that arise (or may arise) in the course of providing a service / business activity to a client, 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 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 the client's interest in that outcome;
- has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
- carries on the same business as the client;

- receives or shall 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;
- 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.

Under MAR, all persons (legal or natural) who disseminate Investment Recommendations / Investment Research shall take reasonable care to ensure that such information is objectively presented, and to disclose their interests or indicate conflicts to which that information relates.

### ***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:

- Acting for own account when dealing with a client;
- Conflicts in agency dealings;
- Conflicts in dealing in any capacity;
- Conflicts in relation to research;
- Conflicts associated with holding confidential information;
- Conflicts in corporate finance and capital markets;
- Conflicts arising out of the group structure;
- 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 of Directors 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 Company is trading for own account in an instrument which is issued by a client;
- 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.

## 8 Management of conflicts of interest

The Company takes all necessary administrative and organisational measures and establish 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, when providing investment and/or ancillary services to its clients.

In particular, a number of robust systems and controls for the effective management and monitoring of conflicts of interest are established, including but not limited to, the ones described in the following sub-sections.

### ***Chinese Walls / Information barriers***

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.

A Chinese Wall is an arrangement whereby information, price sensitive, commercially sensitive, or other confidential information (such as those relating to strategy or trade secrets or covered by a confidentiality undertaking) that may cause a conflict of interest. This is achieved by:

- a physical barrier restricting the flow of information between employees, which is monitored and enforced. In particular, certain areas of the Company's offices are separated by physical barriers (where physical barriers may be defined as for example floor-to-ceiling walls on the same floor). For example, the Dealing on Own Account, Brokerage and Portfolio Management Departments are each separated from other business divisions by a physical barrier and being adjacent to one another to reduce the likelihood of accidentally viewing or overhearing information. Where employees have access to controlled areas, they shall not lend their keys or other security passes to others or let people into that area unless they know who they are and that they are entitled to access that area;
- 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;
- 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;

- shall conflict of interests need to be disclosed to parties outside the Chinese Wall, prior approval needs to be sought from the Head of Compliance and AML and the relevant parties must be informed as to the sensitive nature of the information given to them;
- prohibition and restriction of certain communications between employees. Employees should take care not to discuss confidential information where it may be overheard by persons not entitled to know it;
- acknowledgements by employees of receipt of policies of conflicts of interest;
- separate management and supervision of employees on different sides of the Chinese Wall;
- 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;
- 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;
- 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 as per the Company's Replacement Policy.

Persons located within a Chinese Wall are prohibited from inappropriately passing information to those outside the wall, except with the approval of the Company's Head of Compliance and AML where it is appropriate to the service being provided to the client. Persons located outside a Chinese wall are not permitted access to information held within the Chinese wall, other than in exceptional cases.

### ***Separate Supervision***

Where appropriate, 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 the Company, may be subject to separate supervision.

Further to the above, and in order to avoid any conflict of interest, an independent review shall be performed by the Company's Compliance and AML Department with regards to:

- transactions carried out for the Company's own account with a view to ensure that they are not related to transactions carried out for or on behalf of clients;
- employees' Personal Transactions, in order 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/ restrictions.



### ***Remuneration policy***

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

In this respect, the Company has established a Remuneration Policy and procedures which set out appropriate governance to prevent remuneration structures which may incentivise an employee to act contrary to his/her responsibilities, regulatory requirements, or the Company's code of business conduct and ethics.

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.

### ***Segregation of functions***

The Company will take steps to prevent and control the simultaneous or sequential involvement of a relevant person in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest.

In such a case, the Company will segregate the duties that could give rise to conflicts if carried out by the same individual. Such instances will be recorded in the conflicts of interest register maintained by the Head of Compliance and AML and will indicate the employee, position, services which give rise to the conflict, duration of the segregation of functions etc.

### ***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 Head of Compliance and AML 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;
- payments from a separate research payment account controlled by the Company, provided the following conditions relating to the operation of the account are met:
  - the research payment account is funded by a specific research charge to the client;
  - as part of establishing a research payment account and agreeing the research charge with their clients, Companies set and regularly assess a research budget as an internal administrative measure;
  - the Company is held responsible for the research payment account;

Where a Company makes use of the research payment account, it shall provide the following information to clients:

- before the provision of an investment service to clients, information about the budgeted amount for research and the amount of the estimated research charge for each of the clients;
- annual information on the total costs that each of the client has incurred for third party research.
- the Head of Compliance and AML of the Company will regularly assess the quality of the research purchased based on robust quality criteria and its ability to contribute to better investment decisions.
- 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 Head of Compliance and AML, 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.

### ***Personal Transactions***

All employees of the Company are subject to personal account dealing arrangements, which imposes certain restrictions, approval procedures and reporting requirements in relation to personal account dealing.

The personal account dealing arrangements require all transactions in financial instruments by employees and relevant persons to be disclosed (through a personal declaration) and reported to the Head of Compliance and AML promptly. To the discretion of the Head of Compliance and AML, they may need to receive prior approval for personal account transactions. These transactions must include precise dates and timings and an authorization or prohibition in connection with such a transaction.

The Company establishes and maintains adequate mechanism so as to prevent the following activities:

- Entering into a Personal Transaction which meets at least one of the following criteria:
  - That person is prohibited to enter into it under the current applicable laws as well as the Market Abuse Regulations, 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.
  - It involves the misuse or improper disclosure of that confidential / inside information;
  - It conflicts or is likely to conflict with an obligation of the Company under the current applicable laws.
- Advising, recommending or procuring, other than in the proper course of his employment or contract for services, any other person to enter into a transaction in Financial Instruments;
- Disclosing, other than in the normal course of his employment or contract for services, any information or opinion to any other person if the employee / Relevant Person knows, or reasonably ought to know, that as a result of that disclosure that other person shall or would be likely to take either of the following steps:
  - To enter into a transaction in Financial Instruments which, if a Personal Transaction of the Relevant Person, would be covered above;
  - To advise or procure another person to enter into such a transaction.
- Gathering competitor intelligence by illegitimate means and refraining from acting on knowledge which has been gathered in such manner;
- Cancel or amend an order concerning a Financial Instrument or recommend to another person to proceed likewise.

The arrangements required under the above paragraphs are designed to ensure, in particular, that:

- Each Relevant Person / person (as defined in MAR) covered by paragraphs above is aware of the restrictions on Personal Transactions, and of the measures established by the Company in connection with Personal Transactions and disclosure;
- The Company is informed promptly of any Personal Transaction entered into by a Relevant Person / person (as defined in MAR), either by notification of that transaction or by other procedures enabling the Company to identify such transactions. In the case of outsourcing arrangements, the Company must ensure that the Company to which the activity is outsourced maintains a record of Personal Transactions entered into by any Relevant Person / person (as defined in MAR) and provides that information to the Company promptly on request.

It is the Company's policy to restrict Relevant Persons and their affiliates who are engaged in the preparation of Investment Research and analysis, participation in IPO operations, and any other persons involved or who have access to information relating to the research, from engaging in any personal transactions with financial instruments related to the research. In addition, Relevant persons or any other employee of the Company are prohibited from using inside information, either for their benefit, or for the benefit of any of their affiliates or through providing advice to any person to proceed with any transactions related to the financial instruments for which a relevant person or employee of the Company has inside information.

### ***Watch list and Restricted list***

The Company maintains a Watch List, which enables the Compliance & AML and Risk Management Departments 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 also maintains 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 Head of Compliance and AML. 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 Head of Compliance and AML. The restricted list is circulated to all employees on a regular basis.

### ***Investment Research***

In line with the Regulatory Framework set out in MiFID II, any Group Entities which produce Investment Research and subsequently disseminated by the Company, must establish certain organisational arrangements, including policies and procedures, in order to ensure that the objectivity and independence of the Investment Research are not compromised. The Head of Research reviews the research as well and gives his final approval for the publication of the research. The purpose of this review is to make sure that the research report is clear, fair and not misleading, there is clarity in the content, the appropriate format is used, and the relevant disclosures and disclaimers are in place.

In addition, and pursuant to the provisions on MAR, all persons (legal or natural) who produce or disseminate recommendations should have in place arrangements to ensure that information is objectively presented, and interests or conflicts of interest are effectively disclosed.

It is noted that the Company's Head of Portfolio Management relies both on external research and his own analysis in order to create tailored portfolios based on each client's needs and objectives.

The scope and objective of the Head of Investment Research is to produce and to disseminate with due professional care the research reports or other information recommending or suggesting an investment strategy, explicitly or implicitly, concerning one or several financial instruments or the issuers of financial instruments, including any opinion as to the present or future value or price of such instruments, intended for distribution channels or for the public.

The Company takes steps to manage potential conflicts of interest in connection with the distribution of investment research, by the following measures in relation to the financial analysts involved in the production of the investment research and other relevant persons whose responsibilities or business interests may conflict with the interests of the persons to whom the investment research is disseminated.

Among others, the dissemination of research does not constitute the provision of investment advice for the purposes of the MiFID II.

#### Supervision and Remuneration of Investment Research Analysts

The remuneration of the Head of Investment Research and other Qualified persons / Experts involved in the production of Investment Research should not be structured in a way to provide incentives which would conflict with the independence of the Investment Research. For example, the remuneration of Qualified persons / Experts or any other persons (natural or legal) involved in the production of the Investment Research is not permitted to be directly tied to transactions undertaken.

Qualified persons / Experts are required to receive incentives in a way that is consistent with providing objective and Investment Recommendation / Investment Research. In addition, Qualified persons / Experts are not involved in the solicitation or provision of investment services, other than the production of the Investment Recommendations / Investment Research. Furthermore, Qualified persons / Experts shall not be permitted to participate in marketing activities, which may conflict with their function, such as pitching to Clients for Corporate Finance work.

#### Interaction of Financial Analysts with clients

The requirement for Qualified persons / Experts to remain independent from entities for which may produce an Investment Research, and to remain objective, means that the Qualified persons / Experts shall be restricted from contacting clients and potential clients. It is important that, the Financial Analyst understands that any activity that could result in an actual or perceived conflict of interest, should be avoided.

#### Involvement of Qualified persons / Experts in Other Activities

Qualified persons / Experts who produce Investment Research shall not take part in any Corporate Finance Marketing activities not to promote the interests of any companies covered by the Investment Research in question. In addition, Qualified persons / Experts shall not take part in any pitches or other marketing activity directed to a company, which is an actual or prospective client of the Company.

#### Dissemination of Investment Recommendation / Investment Research

All formal Investment Research material is distributed to clients included on the Company's mailing lists (as appropriate) simultaneously and by the same method. Investment Research notes must not be sent to some Clients ahead of others, nor may be sent to different clients by different means unless this is necessary for technical reasons.

Financial Analysts or Trading staff may however send short briefs or other informal written analysis to particular Clients rather than to all clients as a whole and they may also discuss with individual clients the content of the Investment Research originally communicated to them. However, Financial Analysts (i.e. Qualified persons / Experts) shall be aware of the restrictions imposed by MAR, so as to avoid engaging in Market Manipulation offences.

It is noted that:

- Investment Recommendations under MAR do not include personal recommendations involving the provision of the investment service of Investment Advice (for example, tailored personal recommendation emanating from sales department), whereas non-personal recommendation does fall under MAR;
- Sales notes and morning notes are covered by MAR only if the definition of Investment Recommendation is met. The number of clients reached, as long as it is more than one, should not be considered as an element for not treating these notes as Investment Recommendations.

#### Disclosure of interests related to Investment Recommendation / Investment Research

The Company seeks to take all appropriate steps to prevent conflicts of interest from giving rise to a material risk of damage to the interests of its clients. In this respect, the Company should disclose all factors that might give rise to a perception that a Qualified person's / Expert's independence could be compromised, including all applicable and appropriate disclosures related, but not limited, to any compensation received or expected to be received, shareholdings or directorships with or for the subject company by the Company or its employees.

In the event that it is decided to terminate coverage of a company/issue, the final Investment Research publication on the company/issue shall make this clear and explain the reasons for the termination of coverage.

All Investment Research distributed by the Company must include a disclaimer, stating the Company or a Group Entity and/or Connected Persons may, from time to time, have positions in, make a market in or effect transactions in any investment or related investment covered by the Investment Research.

#### Inducements: Specific Rules for Financial Analysts (including Qualified persons / Experts)

Qualified persons / Experts and other staff members involved in the preparation of Investment Research must not accept inducements from those with a material interest in the subject-matter of the Investment Research, including any issuers of securities mentioned in the Investment Research.

Personnel not involved in the productions/ dissemination of Investment Research must never attempt to influence the content of an Investment Research report or the activities of Qualified persons / Experts for the purposes of obtaining or retaining the Company's business. If any employee becomes aware of any such attempt, the incident must immediately be reported to the Head of Compliance and.



By not allowing this involvement, the Company seeks to ensure that Qualified persons / Experts are not exposed to non-public information, which cannot be included (or relied on) in their Investment Research publications.

The research analysts are obliged to report to the Head of Compliance and AML any inducements/gift/benefit which they received no later than the end of the next business day. The Head of Compliance and AML will take the decision whether the acceptance of the inducement is allowed or not. In case the Head of Compliance and AML does not approve the inducement then the employee following the instructions of the Head of Compliance and AML has to return it back to its source.

The Company undertakes the responsibility to provide a client with a summary of an inducement (nature and amount) relating to a service offered to him by the person who accepted the inducement upon approval of the Head of Compliance and AML. Upon a request of the client, the Company will be able to provide further details relating to the said inducements.

### ***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 its Conflicts of Interest Policy according to its Whistleblowing framework, where employees are encouraged to report issues related to conflicts of interest and consult with employees of the Compliance and AML Department accordingly, in a confidential.

#### 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 of the acquisition of the Company, the firm intends to outsource certain supporting activities.

By outsourcing some of its functions and activities, the Company remains fully responsible for discharging all of its obligations under the Law and complies 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 will 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.

## **9 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 Compliance and 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.

## **10 Disclosure of conflicts of interest**

The Company shall ensure that disclosure of conflicts to clients is used where the organizational or administrative arrangements made by the Company to manage conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to client interests will be prevented. The general nature and/or sources of conflicts of interest should be disclosed to the client before undertaking business on its behalf.

The disclosure to clients shall be made in a durable medium and include sufficient detail and a specific description of the conflicts of interest that arise in the provision of investment and/or ancillary services, taking into account the nature of the client to whom the disclosure is being made. The description shall explain the general nature and sources of conflicts of interest, as well as the risks to the client that arise as a result of the conflicts of interest and the steps undertaken to mitigate these risks. The disclosure shall also clearly state that the organizational or administrative arrangements made by the Company to manage conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to client interests will be prevented. This is to enable the client to take an informed decision with respect to the service in the context of which the conflict of interest arises.

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 Head of Compliance and AML of the conflicts arisen, as well as any proposal of suggested remedial or disciplinary actions;



- four-eye principle supervision by the Company's executive management, and/or Board of Directors, 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.

Specifically, in relation to conflicts of interest, the rules on underwriting and placing require that The Company shall identify all potential conflicts of interest arising from other activities of the Company, or group, and implement appropriate management procedure.

In cases where the Company cannot manage a conflict of interest by way of implementing appropriate procedures, the Company shall not engage in the operation. While the Company provides execution services as well as carrying out underwriting and placing activities, the Company shall ensure adequate controls are in place to manage any potential conflicts of interest between these activities and between their different clients receiving those services.

## **11 Conflicts of interest register**

The Head of Compliance and AML maintains and regularly updates a record of the kinds of services and activities carried out by or on behalf of the Company, in which a conflict of interest entailing a material risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service or activity, may arise.

The Company is committed to full transparency in its activities and in doing so, logs all relevant failures in the processes and perceived / potential / actual Conflicts of Interest, are recorded on the Company's Conflicts of Interest Register.

Any person becoming aware of a conflict of interest which is not recorded in the relevant Conflicts of Interest Register, must notify the Head of Compliance and AML. Any reporting may be done in various forms, including oral, written or electronic form, in person or anonymous, based on the established Whistleblowing framework. The Head of Compliance and AML shall be responsible for updating the relevant Conflicts of Interest Register following consultation with Senior Management, where appropriate. It is the responsibility of the Head of Compliance and AML to prepare and distribute to the Company's Senior Management a written report referring to the record of services or activities giving rise to detrimental conflicts of interest, on an ad-hoc basis and at least annually. The records must be kept in an electronic form.

All information in relation to Conflicts of Interest shall be kept in line with the provisions stipulated in the Company's Record Keeping Policy.

## **12 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 Compliance and 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 Conflicts of Interest Policy is reviewed at frequent intervals to assess its appropriateness as regards the mix of services offered by the Company. In addition, the Conflicts of Interest 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 Conflicts of Interest Policy and the applicable legislation requires the update of the Policy.