

FREEDOM FINANCE EUROPE LTD

CONFLICT OF INTEREST POLICY

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1. Introduction

1.1. Freedom Finance Europe Limited (hereinafter called the “Company”) is a Cypriot Investment Firm (“CIF”) registered with the Registrar of Companies under number HE 324220 and regulated by the Cyprus Securities & Exchange Commission (“CySEC”) under license number 275/15 and is under obligation to cooperate with MOKAS.

1.2. Following the requirements and/or obligations implemented by the following laws and regulations and in compliance with the current legal framework:

- Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended from time to time (“MiFID II”);
- the Law 87(I)/2017 regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets and other related matters, as amended from time to time (the “Law”);
- the Investment Services and Activities and Regulated Markets Law No 144(I)/2007 to the extent it remains applicable after coming into force of MiFID II;
- the Commission Delegated Regulation (EU) 2017/565, supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive;

the Company has established, implemented and maintains an effective Conflicts of Interest Policy in writing, appropriate to the size and organization of the Company and the nature, scale and complexity of its business.

2. Definitions

2.1. **Client / Customer** refers to any person from whom, or on whose behalf, the Company receives, acquires or holds funds or securities for such person’s account.

2.2. **Conflict of interest** is a situation, arising in any area of the Company's business, where the Company or an employee of the Company is in a position to exploit a professional or official capacity in some way which may benefit the Company, or an employee of the Company, or a client of the Company, whilst potentially damaging the interest of another client of the Company. A conflict of interest may arise, between the following parties:

- (a) Conflicts between the interest of the Company and the interest of any Client,
- (b) Conflicts between the interest of a Relevant Person and the interest of any Client,
- (c) Conflicts between the interest of one or more Clients inter se, and
- (d) Conflicts between the interest of the Company or a Client and any third party with which the Company maintains a contractual relationship or other course of dealing.

2.3. **Relevant Person** under this Policy refers to the Article 2 of the Delegated Regulation (EU) 2017/565, and is defined as:

- (a) a member of the Board of Directors, partner or equivalent, manager or tied agent of the Company;
- (b) a member of the board of directors, partner or equivalent, or manager of any tied agent of the Company, if applicable;
- (c) an employee of the Company or of a tied agent of the Company (if applicable), 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 of the Company (if Conflicts of Interest Policy 5 applicable) who is involved in the provision by the Company of investment services or/and the performance of investment activities;
- (d) a natural person who is directly involved in the provision of services to the Company or to its tied agent (if applicable) under an outsourcing arrangement for the purpose of the provision by the Company of investment services or/and the performance of investment activities..

3. Scope and purpose

- 3.1. The purpose of the present Policy is to specify the procedures and criteria implemented by the Company to identify, manage, control and, where necessary, disclose the conflicts of interest that arise or may arise in the course of providing the investment services and activities under its license, as well as the measures taken by the Company in order to prevent or mitigate any conflicts of interest which have arisen in the course of business, and to ensure that the implemented procedures, measures and criteria comply with legislative requirements and the general procedures which are set by the Company's Internal Operations Manual.
- 3.2. The present Policy of the Company aims to ensure that the Company's Clients are treated fairly and at the highest level of integrity, relevant information disclosure, precisely accurate in performing the Clients' Instructions, strict compliance with the Clients' Instructions, and in priority of Clients above the Company's priorities.
- 3.3. Taking into consideration that the Company is a member of a group, the present Policy shall also take into account any circumstances, of which the Company is or should be aware, which may give rise to a conflict of interest arising as a result of the structure and business activities of other members of the group.
- 3.4. The present Policy is obligatory for all employees of all departments of the Company and Board of Directors of the Company

4. General principles

- 4.1. All employees of the Company must on commencement of their employment read and fully understand the Policy.
- 4.2. Any employee that suspects any conflict of interest must immediately inform the Senior Management who will determine if any conflict does exist or has the potential to arise and will state the reasoning for their findings.

- 4.3. Situations where conflicts of interest can occur include the following:
- a. 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;
 - b. The Company or a relevant person, or a person directly or indirectly linked by control to the Company, has an interest in the outcome of a service provided to the client, or of the transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
 - c. The Company or a relevant person, or a person directly or indirectly linked by control to the Company, has a financial or other incentive to favor the interest of another client or group of clients over the interests of the client;
 - d. The Company or a relevant person, or a person directly or indirectly linked by control to the Company, carries on the same business as the client;
 - e. The Company or a relevant person, or a person directly or indirectly linked by control to the Company, receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of money, goods or services, other than the standard commission or fee for that service.
- 4.4. It should be noted that the above circumstances which constitute or may give rise to a conflict of interest, are not conclusive. To be conclusive, the Company explicitly examines and investigates further each of the above circumstances on a case by case basis and undertakes additional due diligence measures in order to have solid evidence that the case in question constitutes indeed a conflict of interest.
- 4.5. The Conflicts of Interest Policy is set out in writing and is appropriate to the size and organization of the Company and the nature, scale and complexity of its business.
- 4.6. The following principles are taken into consideration in order to ensure the requisite degree of independence (these procedures and measures are also implemented by the Company in relation to the financial analysts involved in the production of investment research and/or other relevant persons whose responsibilities or business interests may conflict with the interests of the persons to whom the investment research is disseminated):

- The prevention or controlling the exchange of information between relevant persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients;
- The separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services to clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the Company;
- 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;
- The introduction of measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out investment or ancillary services or activities;
- The introduction of measures to prevent or 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.

4.7. If the adoption or the practice of one or more of those measures and procedures does not ensure the requisite degree of independence, alternative or additional measures and procedures as are necessary and appropriate for this purpose shall be adopted.

4.8. The present Policy includes the necessary measures in order to avoid any potential kind of service/activity carried out by the Company in which conflicts of interest identified entails a risk of damage to the interests of one or more Clients pursuant to the provisions of current Regulation. The documented Policy is posted on the Company's website and is kept additionally as internal policy.

4.9. The Compliance Officer is responsible for:

- recording services or activities giving rise to a detrimental conflict of interest;

- developing and continuous updating of the Policy;
- monitoring and advising Directors and Senior Managers on the specific procedures to be followed in order to manage conflicts of interest.

5. Management of conflicts of interest

- 5.1. The Company is required to pay attention to the interests of its clients and to manage conflicts of interest fairly. Where the Company has a conflict of interest it cannot knowingly deal unless it takes reasonable steps to ensure fair treatment for its clients.
- 5.2. The Company takes all the necessary measures to identify, manage, record and, where relevant, disclose actual or potential conflicts of interest between itself and its clients and/or between one client and another. The aim of the “Conflicts of Interest Policy” is to protect the Company and its clients, and to assist the BoD and the employees in making ethical decisions that benefit the Company and all its clients and not just a particular individual or parties associated with the Company. The Company must ensure that it acts, at all times, in the best interests of its clients.
- 5.3. Relevant arrangements are made to manage conflicts at first instance. Where these arrangements are not sufficient to ensure, with reasonable confidence, that the risk of damage to clients' interests will be prevented, the Company shall disclose the conflict to the client(s) involved before undertaking business on their behalf, in accordance with this Policy.
- 5.4. The Company also keeps and updates regularly a record of circumstances in which a conflict may arise or has arisen as a result of the activities carried on by the Company.
- 5.5. The Company respects the transparency and integrity of the market and it maintains and operates effective organizational and administrative arrangements with a view to taking all reasonable steps designed to prevent conflicts of interest from constituting or giving rise to a risk of damage to the interests of the clients. The requirement to identify and manage conflicts of interest applies equally to all types of clients the Company deals with (Retail and Professional clients).

- 5.6. The Company ensures from time to time that its systems, controls, and procedures are robust and adequate to identify and manage any conflicts of interest that may arise, and to ensure, as far as practicable, that those arrangements operate effectively.
- 5.7. The Company shall take all reasonable steps to identify and manage any conflicts between:
- Itself or a relevant person and a client;
 - One client and another client;
 - Between the Company and its employees;
 - Between a client of the Company and an employee/manager of the Company;
 - Between Company's Departments.
- 5.8. In determining what steps are reasonable to identify and manage conflicts of interest, the Company may take into account:
- The level of risk that a conflict of interest may constitute or give rise to a risk of damage to the interests of the client or clients;
 - The nature of the conflicts in question;
 - The nature and range of services offered to the particular client.
- 5.9. It is noted that if the adoption of the measures mentioned in this policy does not ensure the requisite degree of independence, additional measures and procedures will be adopted or the conflict will be disclosed to the client in accordance with the provisions of the present Policy.

6. List of circumstances that could constitute a situation of conflict of interest

- 6.1. For the purposes of identifying the types of conflict of interest that arise in the course of providing investment and ancillary services or a combination thereof and whose existence may damage the interests of a client, arrangements that take into account the question of whether the Company or a relevant person, or a person directly or indirectly linked by control to the Company, is in any of the following situations, whether

as a result of providing investment or ancillary services or investment activities or otherwise. The following is a non-exhaustive list of instances which could constitute a conflict of interest. The list is divided into conflicts between the Company vs client and client vs client.

6.2. The Company vs Client:

- Where the Company or one of the relevant persons of the Company engages in personal account dealing and the Company has a client with an interest that potentially conflicts with such dealing;
- Where the Company or a relevant person has a financial or other incentive to favor the interest of another client or group of clients over the interests of the client;
- Where the Company or a relevant person 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;
- Where the Company or a relevant person has the same business with the client;
- Where substantial gifts and entertainment (including non-monetary gifts) are received that may influence behavior in a way that creates conflict with the interests of the clients;
- Where the Company or a relevant person will receive from a person, other than the client, an inducement in the form of a service provided to the client, in the form of money, goods or services, other than the standard commission or fee from that service. In general, where the Company, or a relevant person is likely to make a financial gain, or avoid a financial loss, at the expense of a client.
- A transaction is affected in securities in respect of which the Company may benefit from a commission, fee, mark-up or mark-down payable otherwise than by a client, and/or Company may also be remunerated by the counterparty to any such transaction;
- The Company or a Relevant Person may have an interest in maximizing trading volumes in order to increase its commission revenue, which is inconsistent with the Client's personal objective of minimizing transaction costs;

- A transaction is affected in securities issued by an Affiliate or client or customer of an Affiliate;
- A transaction is affected in units or shares of connected investment trusts or unit trusts or open ended investment companies or of any company of which the Company or its Affiliate is the manager, authorized corporate director, operator, banker, adviser, custodian, administrator, attorney or depository;
- The Company's portfolio managers may trade in financial instruments on behalf of the clients knowing that the trades will be beneficial to the Company, its employees' or relevant persons' positions in the same financial instruments;
- The Company, its employees and relevant persons may have, establish, change or cease to have positions in financial instruments covered by an Investment Advice;
- The Company may provide Investment Advice or Portfolio Management services to its clients, while also recommending or selling products issued or provided by entities having close links with the Company or any other legal or economic relationships such as contractual relationships.

6.3. Client vs Client:

- Where the Company makes a discriminatory allocation between the clients;
- Where the Company has a financial or other incentive to favor the interest of another client or group of clients over the interests of the client;
- Where a situation exists which does not appear to be treated in a manner that benefits and/or would lead to the fair and equitable treatment of all clients.

7. Controls for mitigating the risk of conflict of interest

7.1. General Procedures and Controls for Preventing and Managing Conflicts of Interest

7.1.1. In general, the procedures and controls that the Company follows to manage the identified conflicts of interest include the following measures (list is not exhaustive):

- (a) The Company undertakes on-going monitoring of its business activities to ensure that internal controls are appropriate;
- (b) Staff members are required to immediately notify the Company in case they perceive that a conflict of interest may be created due to the undertaking of a specific task/work;
- (c) The Company undertakes effective procedures to prevent or control the exchange of information between Relevant Persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more Clients;
- (d) The separate supervision of Relevant Persons whose principal functions involve providing services to Clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the Company:
 - Brokerage Department
 - Dealing on Own Account Department
 - Investment Advice
- (e) 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:
 - Employees of the Brokerage Department and Investment Advice Department do not relate their remuneration with clients' performance;
 - For the time being and under the provisions of the Remuneration Policy the Company does not have a variable remuneration component for the employees of Brokerage, Investment Advice Departments. When management decides to reward employees with a variable remuneration, checks and balances will be in place so that (1) the annual variable remuneration of any employee will not exceed his or her annual fixed remuneration (2) the variable remuneration package does not lead to aggressive behavior that might detriment clients;
 - The variable remuneration of the Customer Support Department is based on the special calculation system that was created in order to avoid conflicts of interest and does not contradict with the established compliance

standards since the evaluation criteria do not include anything that could lead to a conflict of interest;

- The Remuneration Committee is required to approve all variable remuneration practices applied by the Company;
- (f) Measures to prevent or limit any person from exercising inappropriate influence over the way in which the Relevant Person carries out investment services;
- (g) Measures to prevent or control the simultaneous or sequential involvement of a Relevant Person in separate investment services where such involvement may impair the proper management of conflicts of interest; or segregation of duties that may give rise to conflicts of interest if carried on by the same individual;
- (h) The implementation of the present Policy which is designed to limit the conflict of interest arising from the giving and receiving of inducements;
- (i) All employees of the Company are prohibited from accepting gifts or other inducements from any person with any material interest which is likely to conflict to a material extent with any duty which the Company and/or its employees owe in connection with its treating customers fairly policy or any duty which such a recipient owes to customers. The Company ensures that the provision/receipt of inducements by the Company or relevant persons comply with the applicable inducements' rules and restrictions;
- (j) Portfolio Managers are prohibited from receiving any fees, commissions or any monetary or non-monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the provision of those services to clients. Minor non-monetary benefits that can enhance the quality of service provided to a client and are of a scale and nature that could not be judged to impair compliance with the Company's duty to act in the best interest of the client are excluded from this prohibition and shall be clearly disclosed to the client;
- (k) Chinese walls restricting the flow of confidential and inside information within the Company, and physical separation of departments (please, refer to the relevant section);
- (l) A "need-to-know" principle governing the dissemination of confidential or inside information within the Company;
- (m) Procedures governing access to electronic data;

- (n) Effective procedures to ensure that the persons that produce marketing communications and/or marketing materials comply with all the provisions of this Policy in relation to conflicts of interest that may arise from the performance of their duties;
- (o) Before the publication of marketing communications and/or marketing materials, they are reviewed for the purposes of verifying the accuracy of factual statements or ensuring that they are in line with the Company's marketing guidelines and requirements;
- (p) Personal account dealing requirements applicable to Relevant Persons in relation to their own investments;
- (q) Execution arrangements for obtaining the best possible result (best execution obligation): the Company's execution arrangements and policies are subject to an annual review by the Company's Compliance Department;
- (r) Where the Company executes an order for a Client, it does not give any preferential treatment to that Client to the detriment of other client and does not disclose the details of one client order to other clients;
- (s) The Company's execution procedures provide for the prompt, fair and expeditious execution of customer orders, relative to other orders. These procedures allow the execution of otherwise comparable orders in accordance with the time of their receipt;
- (t) Establishment of in-house Compliance Department, reporting directly to the Company's Board of Directors, for ensuring by means of ongoing monitoring that appropriate systems and controls for preventing and managing conflicts of interest are maintained and appropriately followed;
- (u) Prohibition for officers and employees of the Company to have external business interests conflicting with the interests of the Company without the prior approval of the Company's Board of Directors;
- (v) Appointment of Internal Auditor, reporting to the Company's Board of Directors, to ensure that appropriate systems and controls are maintained;
- (w) Establishment of the "four-eyes" principle for supervising the Company's activities;
- (x) The Company maintains and regularly updates a Conflicts of Interest register. It logs all the conflicts of interest that may arise as a result of the provision of

investment and ancillary services by or on behalf of the Company that may entail a risk of damage to the interests of one or more clients;

- (y) The Senior Management of the Company receives on a frequent basis, and at least annually, written reports on the situations referred to in the Company's Conflicts of Interest register.

7.2. Chinese Walls

7.2.1. In accordance with the above section, one way in which the Company manages conflicts of interest is through the implementation of the Chinese Walls principle. The Chinese Walls principle provides that information obtained by one employee should only be passed to another employee who has a need to know, and particular care is to be taken with respect to sensitive information. The effective implementation of this principle will prevent the use of confidential information which could harm the integrity of the market and the interests of clients.

7.2.2. A distinction is made between ordinary customer information and unpublished sensitive information.

7.2.3. Ordinary customer information should only be passed to another Company's employee on a need-to-know basis. On the other hand, unpublished price-sensitive information covered by insider dealing laws is subject to significantly greater control. Such information must only be used for the legitimate business purpose for which it was given and must not under any circumstances be passed on to anyone inside or outside the Company who is not directly concerned with that specific information.

7.2.4. To better facilitate this, the Company will separate the supervision of employees whose responsibilities involve carrying out activities on behalf of, or providing services to, clients whose interests may be in conflict, or who otherwise represent different interests that may be in conflict.

7.2.5. The Company is taking the following measures in order to ensure that effective «Chinese Walls» exist between the different Departments:

- The Company maintains different Departments for its investment services. The Head of each Department is responsible for the Department's operational independence from the other Departments and organizational units of the Company;
- Each Department is monitored and controlled by separate individuals, in such way that segregation of duties is achieved;
- There is a clear distinction between the different Department's operations as these are described in the Manual;
- Each Department has its independent lines of its responsibility and reporting.

7.2.6. More specifically, all Front Office employees (Sales and Customer Support Departments) are strictly prohibited from liaising directly with the Back Office. The Back Office is required to communicate pertinent information to the Front Office, however, should the Front Office require any clarifications from the Back Office, they must direct their inquiries to the Compliance Department. The Compliance Department will then liaise directly with the Back Office in order to address the inquiry and communicate it back to the Front Office.

7.2.7. The Research Department also operates as an independent unit, and, once given the assignment to conduct research on a specific security or asset, it is prohibited from communicating any information contained, or deemed to be contained, in its research report prior to disseminating the report to all interested clients. In the event that the Research Department needs to either obtain, or communicate, pertinent information regarding the report, prior to the report's dissemination to clients, from other departments within the Company, the Research Department is required to communicate the information only to the Compliance Department.

7.2.8. All control functions (i.e., the Compliance Officer, Risk Manager, Internal Auditor, External Auditor) are reporting directly to the Board of Directors and are strictly prohibited from making their annual or other reports available to any employee from any department prior to communicating the reports to the Board of Directors and obtaining their consent.

7.2.9. In addition, the Company ensures that physical separation exists of the following departments:

- Compliance Department
- Back Office Department
- Accounting & Finance Department
- Brokerage Department
- Dealing on Own Account Department
- Marketing Department
- Investment Advice Department
- Portfolio Management Department

7.3. Personal Transactions

7.3.1. Personal transactions can also lead to conflicts of interest. All employees of the Company that are involved in activities that the Company is authorized to provide must be aware of the restrictions on personal transactions detailed below. This section also includes personal transactions by persons employed by companies which perform outsourced activities to the Company, if any. The Company must be notified promptly in case of any personal transaction.

7.3.2. The Company has established adequate policies, rules and procedures governing personal transactions by its managers, employees, tied agents (if any) and other relevant persons, and shall notify each relevant person of the restrictions on personal transactions.

7.3.3. A **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 is met:

- the relevant person is acting outside the scope of the activities he carries out in that capacity,
- the trade is carried out for the account of any of the following persons:

- the relevant person,
- any person with whom he has family relationship, or with whom he has close links, or
- 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.

7.3.4. A **person with whom a relevant person has a family relationship** means any of the following:

- the spouse of the relevant person or any partner of that person considered by national law as equivalent to a spouse;
- a dependent child or stepchild of the relevant person;
- any other relative of the relevant person, who at the date of the personal transaction was a member of the household of that person for at least a year.

7.3.5. Any relevant person involved in activities that may give rise to a conflict of interest or having access to confidential information or to other confidential information related to clients or transactions with or for clients is prevented from engaging in the following activities:

- a. Entering a personal transaction which meets at least one of the following criteria:
 - it is prohibited under the Market Abuse Law of 2016 (Law 102(I)/2016),
 - it involves the misuse or improper disclosure of confidential information,
 - it conflicts or is likely to conflict with an obligation of the Company under the Law.
- b. Advising 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 which, if it was a personal transaction, it would be covered by the paragraph above, or by paragraph 2 or Article 37(2)(a) or (b) or Article 67(3) of the Commission Delegated Regulation 2017/565;

- c. Disclosing, other than in the normal course of his employment or contract for services, any information or opinion to any other person if the relevant person knows or reasonably ought to know, that as a result of that disclosure other person will or would be likely to take any of the following steps:
- to enter into a transaction in financial instruments which, if it was a personal transaction of the relevant person, would be covered by paragraph (a) above or paragraph 2 or 3 or Article 37(2)(a) or (b) or Article 67(3) of the Commission Delegated Regulation 2017/565;
 - to advise or procure another person to enter such transaction.

7.4. Notification requirements for the employees of the Company

7.4.1. In accordance with the provisions of the Personal Transactions Policy, each relevant person shall disclose the following information to the Compliance Officer:

- opening and closing of personal accounts at the Company or any other investment firm for own investment purposes;
- qualifying holding they may possess in the share capital of any company in which the Company is also a shareholder;
- financial instruments held.

7.4.2. It is one of the conditions of employment agreement of all the Company's Directors and employees that the Personal Transaction Policy is followed at all times. Any personal transaction undertaken contrary to this Policy shall be considered to be a serious disciplinary offence and a breach of the terms of the individual's employment agreement.

7.4.3. Breaches of the rules will be considered a very serious matter by the Company, which may:

- require transactions to be reversed, or profits disgorged;
- ban future personal transactions for a specified period of time;
- instigate disciplinary proceedings against the relevant employee; or

- terminate the employment of the relevant employee.

- 7.4.4. Breaches of these rules and any disciplinary action taken may also be notified to the CySEC whether or not the Company is required to do so.
- 7.4.5. In case a personal transaction which falls within the scope of this policy takes place, the employee shall receive prior written authorization from the Compliance Officer.
- 7.4.6. Requests to deal must be in writing, signed and dated by the individual seeking authorization to deal. The signature is made against a statement to the effect that in undertaking the deal the individual is not in breach of the insider dealing legislation, and that the interests of clients are not prejudiced by his dealing. Once the request is completed and signed it should be submitted to the Compliance Officer for his/her consideration.
- 7.4.7. In deciding whether or not to give his/her authorization to the proposed transaction, the Compliance Officer shall consider whether it is, or is likely to be, in breach of the insider dealing legislation, and whether the interests of clients are prejudiced by it being undertaken.
- 7.4.8. Approval will be evidenced by the Compliance Officer's signature on the relevant request. Approvals are only valid for specific transactions.
- 7.4.9. Approval for outside business interests will not be unreasonably withheld, but it must be clearly understood that any outside employment or business activity must not conflict or interfere with the Company's business in any way, it must not prejudice the interests of clients and it must comply with the personal transaction restrictions mentioned above. After the approval of any outside business interests, employees are required to immediately notify the Compliance Department should they become aware of any actual or potential conflict of interest between the Company and its clients or between one client and another.
- 7.4.10. Once a personal transaction has been undertaken it must be notified to the Compliance Officer within 2 days of the transaction date. The notification must contain the following details:

- date and time of the transaction;
- whether the transaction held was a purchase or a sale;
- the financial instrument dealt in; and
- the value of the transaction.

7.4.11. Such a request for information can be met by the production of a copy of the trade confirmation.

7.4.12. The Compliance Officer shall ensure that a record of a personal transaction is kept, and it is notified to the Company or identified by it, including any authorization or prohibition in connection with such a transaction.

7.4.13. In the case of outsourcing arrangements, the Company shall ensure, through the services agreement, that the firm to which the activity is outsourced maintains a record of personal transactions entered into by any relevant person and provides that information to the Company promptly on request.

7.5. **Gifts, rebates, contributions or other payments**

7.5.1. The Company takes reasonable steps to ensure that neither it nor its employees offer or give, or solicit, or accept, in the course of business, any inducements which may lead to conflicts. Due to the various relationships the Company may have with its clients and other entities, employees may not solicit gifts or gratuities nor give inducements as stated under the provisions of the ABC Policy and Gifts and Benefits Policy of the Company.

7.5.2. The Company shall not accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the provision of the service to clients. Minor non-monetary benefits that can enhance the quality of service provided to a client and are of a scale and nature such that they could not be judged to impair compliance with the Company's

duty to act in the best interest of the client must clearly be disclosed to the client and will be accepted by the Company. Gifts of an extraordinary or extravagant nature to an employee are to be declined or returned in order not to compromise the reputation of the employee or the firm. The Company prohibits any form of a loan by an employee to a client or by a client to an employee.

7.6. Inside information

- 7.6.1. In broad terms, inside information is any undisclosed price-sensitive information that concerns one or more specific financial instruments, is of a specific nature and, if made public, would likely have a significant effect on the price of the relevant financial instruments.
- 7.6.2. The Company's policy requires that employees must not deal based on inside information or assist anyone else in doing so. The requirement is an integral part of each employee's terms of employment, and violation of the policy could result in disciplinary action or even dismissal from employment. Violation of this provision may also constitute an offence punishable either with imprisonment or with a fine or both penalties.
- 7.6.3. If an employee is in any doubt whether he has received information that could be considered inside information, or if there are circumstances suggesting that a customer or counterparty has inside information when dealing with the Company, the employee should promptly consult the Compliance Officer.
- 7.6.4. Employees will often receive some non-public information during the ordinary course of employment, but much of this is not market sensitive. This type of information need not be notified to the Compliance Officer, even though it is not public, because this information is not considered to be "market-sensitive information".
- 7.6.5. Examples of inside information may be:
- Information relating to profits or losses for any period before they are announced.

- A decision to pay an unusual dividend or to pass or defer any dividend or interest payment before the decision has been announced.
- A proposed offering of debt or equity or any other proposed significant financing.
- A proposed merger or take-over.
- A potential insolvency, winding up or reconstruction.
- A material corporate acquisition or disposal of assets or business sectors.
- A proposed change in capital structure, including any voluntary redemption of any class of securities.
- An actual or proposed acquisition or disposal of a significant block of shares by any person or any stake building by any third party.
- A proposal to change the general character or nature of the Company's business, including the acquisition or disposal of significant business sectors.
- A proposed significant revaluation of assets.
- A litigation or any investigation or enquiry by a tax or other governmental authority, the outcome of which may materially affect assets or earnings.

7.6.6. For more information regarding the Company's procedures in relation to the prohibition of misuse of inside information, please refer to the Company's Market Abuse Policy.

7.7. Measures in relation to the Company's Structure/ Outsourced Service Providers/ Related parties.

7.7.1. The Company has in place non-disclosure and confidentiality agreements with all related parties, outsourced service providers or members of the group in relation to Client's personal information.

7.7.2. The Company controls the information communicated between the Company's entities, related parties and outsourced service providers to ensure no harm to the Client's interests. The dissemination of confidential information between the Company's entities, related parties and outsourced service providers is at all-time subject to established information barriers. Confidential information may only be disclosed to those persons who need it to serve the legitimate interests of the Company

and its clients and who can be expected to keep it in confidence in accordance with the policy regarding information barriers.

- 7.7.3. The Company maintains a register of all the related party/outsourced provider payments made and assesses them in terms of conflicts that may negatively affect Client's interests. Where relevant, these conflicts are disclosed along with the mitigating factors applied to ensure the removal of any incentives for malpractice.
- 7.7.4. The Compliance Function has in place monitoring procedures for the services provided by related parties and outsourced service providers.

8. Disclosure of conflicts of interest

- 8.1. Before the Company provides any services it must take all reasonable steps to identify, prevent or manage conflicts of interest between itself, including its managers, employees and tied agents, or any person directly or indirectly linked to it by control, and its clients or between one client and another, that arise in the course of providing any investment and ancillary services, or combinations thereof, including those caused by the receipt of account openings from third parties or by the Company's own remuneration and other incentive structures.
- 8.2. Where organizational or administrative arrangements made by the Company to prevent conflicts of interest from adversely affecting the interest of its client are not sufficient to ensure, with reasonable confidence, that risks of damage to client interests will be prevented, the Company shall clearly disclose to the client the general nature or/and sources of interest and the steps to mitigate those risks, before undertaking business on its behalf.
- 8.3. The Company shall disclose to the clients, pursuant to section 29(2) of the Law, all conflicts of interest. The disclosure will be made in accordance with the requirements of this Policy.

- 8.4. The Disclosure is placed on the Company's official website <https://freedomfinance.eu/> and will be accepted by the client in the way of signing the Client Consent.
- 8.5. Over-reliance on disclosure of conflicts of interest shall be considered a deficiency.
- 8.6. It is one of the basic principles and obligations of the Company that where all reasonable steps to manage a particular conflict of interest situation were undertaken and they are proved not to be sufficient to ensure with reasonable confidence that the risk of damage to the interests of a client will be prevented, the Company will disclose to the client all actual and potential conflicts of interest.
- 8.7. The disclosure will:
- be in a durable medium;
 - clearly state that the organizational and administrative arrangements established by the Company to prevent or manage the conflicts are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the Client will be prevented;
 - include a specific description of the conflicts of interest that arise in the provision of investment services and ancillary services;
 - explain the general nature and sources of conflicts of interest;
 - explain the risks to the Client that arise as a result of the conflicts of interest and the steps undertaken to mitigate these risks;
 - include sufficient detail, taking into account the nature of the client, to enable the Client to make an informed decision with respect to the services in the context of which the conflict of interest arises.
- 8.8. The client will decide whether or not to continue dealing with the Company. If a client decides not to go ahead with the service due to the conflict disclosed, the Company will have no choice but to decline the provision of services to the client if the conflict cannot be effectively managed.

9. Retention of records

- 9.1. The Company keeps and regularly updates a record of the investment and ancillary services, or investment activities carried out by or on behalf of the Company in which a conflict of interest entailing a 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.
- 9.2. The following documentation shall be maintained for a minimum period of five (5) years:
- this Policy and further updates;
 - the conflicts log/register;
 - training material and training records in relation to the conflicts of interest and personal transactions requirements;
 - Conflicts of Interest reports;
 - disclosure statements;
 - communications with Directors and Senior Managers on the specific procedures to be followed in order to manage conflicts of interest;
 - any other documentation used to demonstrate the management of conflicts of interest.
- 9.3. Records of Personal Transactions are kept by the Compliance Officer with details of all personal account deals undertaken by individuals, any approval or disapproval obtained for each of the orders and brokers' confirmations.
- 9.4. Senior management shall receive on a regular basis, and at least annually, written reports on situations referred to in this section.

10. Reporting Conflicts of Interest

- 10.1. In the case of identification of a possible conflict of interest, a staff member must refer it initially to his immediate supervisor to assist in the assessment of a risk of damage and send a relevant report together with full details to allow regulatory scrutiny, of:

- corrective and preventive actions;
- how these actions were considered appropriate;
- any conditions imposed; and
- whether there are still ongoing conflicts, how these are being managed and advised to the client

to the Head of Compliance for inclusion within the reports reviewed by the Board of Directors.

11. Policy review

11.1. The Company's Compliance Department and the Board of Directors shall review and amend, if needed, this Policy, at least on an annual basis.

11.2. The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems appropriate according to the terms of the Client Agreement between the Company and the Client.