

Conflict of Interests Policy

As provided in § 12a par. 1 letter h) of the Capital Market Undertakings Act, Citfin – FT has implemented measures for managing conflicts of interests. Citfin – FT has implemented measures to ensure that potential conflicts of interests between the company and its clients do not have a negative impact on the interests of clients. With the aim of preventing conflicts of interests, Citfin – FT created a multi-level organisational structure with a corresponding division of responsibilities and has accepted additional organisational arrangements. If a conflict of interests cannot be avoided, the company notifies the client about the nature and source of the interest and shall proceed as follows:

- In case of an inevitable conflict between the interests of the client and Citfin – FT, the company always gives preference to client's interests over its own interests.
- In case of an inevitable conflict of interests between clients, the company ensures fair treatment of all clients.
- In case of an inevitable conflict of interests, Citfin – FT may refuse to provide the relevant investment service.

The conflict of interests policy has a three-level structure:

- Identification of conflicts of interests
- Management of conflicts of interests
- Notification of conflicts of interests

Identification of conflicts of interests

When determining the types of conflicts of interests that may arise during the provision of investment services and that may harm the interests of clients, Citfin – FT evaluates whether it finds itself in one of the following situations:

- it is probable that it will financially benefit or avoid financial losses at the expense of the client,
- it has an interest in the result of the service provided to the client or trade performed on client's account and this interest differs from the interest of the client,
- it has a financial or other motive to give preference to the interests of another client,
- it is doing business in the same industry as the client,
- it receives from another party or offers to another party a financial or non-financial incentive for the service in connection with the provision of investment services to the client.

Management of conflicts of interests

Citfin – FT seeks to prevent conflicts of interests as well as possible. Citfin – FT therefore follows established effective conflict of interest management procedures, which include a multi-level organisational structure, with an a corresponding division of responsibilities, and has adopted effective measures and procedures taking into account the size of the company, the nature, scale and complexity of the business.

Citfin – FT always identifies in relation to specific investment services and activities circumstances that may lead to a conflict of interest and which would pose a material risk of harm to client's interests, and keeps records of the investment services provided and of activities under the provision where a major conflict may arise or arises.

The corresponding persons involved in the various business activities that gave rise to the conflict of interest must carry out those activities with such a degree of independence that is commensurate not only with Citfin – FT 's activities and size, but also with the nature and extent of the risk of harm to clients' interests. To ensure this independence, the following procedures and measures are in place in the company:

- Measures of the so-called "China Wall" between Citfin – FT units, which may create a potential conflict of interest. This involves the provision of physical and organisational separation of units to prevent the exchange of information that creates a potential conflicts of interest and the potential misuse of insider or otherwise sensitive non-public information.

- All employees must make their business decisions to the best interests of the client and Citfin – FT.
- A strict prohibition of trading on the trader's own account has been observed under same or better conditions than the client has.
- In Citfin – FT remuneration rules are in place to prevent employees from participating in proceeds from specific activities that are their primary job and where there could be a conflict of interest in connection with such activities. No employee must be personally involved in any way that could unduly affect his/her objective and independent judgement.
- Citfin – FT has put in place measures to prevent and control simultaneous involvement of persons in the provision of investment services and in activities that could adversely affect the management of conflicts of interest. Mutual incompatibility of individual positions and employees' functions is provided by the organisational structure of Citfin – FT.
- As part of its internal control system, Citfin – FT ensures regular supervision of persons (compliance, internal audit) who provide investment services on its behalf. Internal control is ensured by the compliance unit and the internal audit unit.
- The "four-eyes rule", i.e. a certain type of service or transaction must be performed by at least two people, is in place.

If the application of these procedures and measures does not ensure the desired degree of independence, Citfin – FT must adopt new procedures and measures that are appropriate for that purpose.

Notification of conflicts of interests

If the conflict of interest cannot be avoided by the above mechanisms, Citfin – FT notifies the client about the nature or source of the conflict of interest.