

Conflict of Interests Policy

In accordance with § 12 letter b) of CMUA, 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 mutually between its clients do not have a negative impact on the interests of clients. With the goal of preventing conflicts of interests, Citfin – FT created a multi-level organisational structure with corresponding division of responsibilities and has accepted additional organisational arrangements. If a conflict of interests cannot be avoided, the company shall notify the client of the nature and source of the interest and shall proceed as follows:

- In case of an unavoidable conflict between the interests of the client and of Citfin – FT, the company shall always give preference to the client's interests over its own.
- In case of an unavoidable conflict of interests between clients, the company shall ensure just treatment of all clients.
- In case of an unavoidable 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
- Reporting 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 shall evaluate whether it finds itself in one of the following situations:

- likelihood that it financially benefits or avoids financial losses at the expense of the client,
- has interest in the result of the service provided to the client or trade performed on the client's account and this interest differs from the interest of the client,
- has financial or other motive to give preference to the interests of another client,
- does business in the same field as the client,
- in relation to the provision of investment services to the client, it receives from another party or offers to another party financial or non-financial incentive for the service.

Management of Conflicts of Interests

Citfin – FT follows established effective processes to manage conflicts of interests. The aim of Citfin – FT is to prevent conflicts of interests as much as possible; therefore, a multi-level organisational structure was created with a corresponding division of responsibilities and efficient measures and procedures were adopted with regard to the size of the company and the nature, extent and complexity of its business activity.

In relation to specific investment services and activities, Citfin – FT shall always identify circumstances that may lead to a conflict of interests and which would result in significant risk of harming the interests of a client and keeps a record of investment services and activities on offer that could or do result in a significant conflict of interests during the course of their provision.

Authorised persons involved in various business activities from which the conflict of interests arises must perform these activities with a degree of independence that is commensurate not only to the activities and size of Citfin – FT, but also to the nature and degree of risk of harming

the interests of clients. In order to ensure this independence, the following procedures and measures are adopted within the company:

- So-called "Chinese wall" measure between the departments of Citfin – FT that could create potential conflict of interests. It is a method of physical and organisational separation of departments to prevent exchange of information that could lead to potential conflicts of interests, and to prevent potential abuse of insider or otherwise sensitive non-public information.
- Employees must focus all business decisions exclusively on the best interests of the client and of Citfin – FT.
- It is strictly forbidden to give preference to trading on one's own account under the same or better conditions than what the client has access to.
- Citfin – FT has established a reward structure that prevents employees from benefiting from the profits of specific activities that are their main job content and could lead to conflicts of interests related to these activities. An employee must not be personally involved in a way that could negatively affect their objective and independent judgement.
- Citfin – FT has implemented measures designed to prevent and monitor concurrent involvement of persons in the provision of investment services and performance of activities if this involvement could negatively affect the process of managing conflicts of interests. Mutual incongruity of individual posts and functions of employees is established via the organisational arrangement of Citfin – FT.
- Citfin – FT's system of internal control involves regular supervision of persons (compliance, internal audit) who provide investment services in the company's name.
- "Four eyes principle", meaning certain types of services or transactions must be performed by at least two people.

If the use of the above processes and measures does not ensure sufficient level of independence, Citfin – FT must adopt new processes and measures suitable for these purposes.

Reporting of Conflicts of Interests

If a conflict of interests cannot be prevented using the mechanisms above, Citfin – FT shall notify the client of the nature or source of that specific conflict of interests.