

CONFLICTS OF INTEREST POLICY

1. Purpose

The purpose of this Policy is to specify the procedures put in place by HOLIWAY INVESTMENTS LTD (hereinafter the “Company”), for identifying and responsibly managing and controlling and, where necessary, disclosing the conflicts of interests arising in relation to its business and to reduce the risk of client disadvantage and reduce the risk of legal liability, regulatory censure or damage to Company’s commercial interests and reputation and to ensure that it complies with legislative requirements and the departmental and general procedures which are set by its Internal Procedures Manual.

Legal Framework

In accordance with Directive DI144-2007-01, CIFs are required to establish, implement and maintain an effective conflict of interest policy set out in writing and appropriate to the size and organisation of the CIF and the nature, scale and complexity of its business.

In addition, according to the Investment Services Activities and Regulated Market Law (Law 87 (I)2017), CIFs must take all reasonable steps to identify conflicts of interest between itself, including its managers and employees, tied agents or other relevant persons, as well as any person directly or indirectly linked to them by control (e.g. its shareholders, business partners, subsidiaries etc.), and their clients or between one client and another, that arise in the course of providing any investment and ancillary services.

Furthermore, according to the Commission Delegated Regulation (EU) 2017/565, CIFs must ensure that all cases that give rise to a conflict of interest, should be treated, this includes cases where there is a conflict of interest between the interests of the firm or certain persons connected to the firm or the firm’s group and the duty the firm owes to a client; or between the differing interests of two or more of its clients, to each of whom the firm owes a duty. It should cover cases where not only the Company may gain a benefit, but where there is also a possible disadvantage to a client, or that one client to whom the Company owes a duty and makes a gain or avoid a loss, without there being the possibility of another’s client loss.

In this respect, CIFs must establish adequate policies and procedures sufficient to ensure compliance, including its managers, employees, tied agents and other relevant person(s), with its obligations pursuant to the Law and the directives issued pursuant to this Law, as well as appropriate rules governing personal transactions by such persons, in order to identify and prevent or manage its (possible) conflicts of interest

The Company’s conflicts of interest policy include among others the following content:

- the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of one or more clients;
- procedures to be followed and measures to be adopted in order to prevent or manage such conflicts.

Where the Company is a member of a group, the 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.

1.1. Definition of a conflict of interest

A conflict of interest is a conflict that may arise, in the course of the Company providing an investment or related ancillary service or a combination thereof:

- Between a Company's entity or the Company's group, including its managers, employees and tied agents (where applicable) or other relevant persons or any person directly or indirectly linked to the Company by control (e.g. its shareholders, business partners, subsidiaries etc.) and its existing, potential or past clients and the duty the Company owes to the clients,
- Between its existing, potential or past clients to each of whom the Company owes a duty.

1.2. Scope of application and general principles

The Company has established a conflict of interests' policy which applies to all investment and related ancillary services or a combination thereof provided by the Company in accordance with the terms and conditions of the agreement for the provision of investment services and activities and ancillary services and requires that the Company:

- 1) Takes all reasonable and appropriate steps *to identify* conflicts that exist between the Company including its managers and employees, tied agents (where applicable) or other relevant persons, as well as any person directly or indirectly linked to them by control, and their clients and its clients and between one client and another and prevents, in the first place, conflicts of interest from adversely affecting the interests of its clients,
- 2) Takes all appropriate steps to *manage* conflicts of interest. Failure to comply with relevant rules and regulations and to identify and to prevent or sufficiently manage the actual or potential conflicts of interest that the Company needs to adhere to while providing investment services, may expose the Company and its employees to fines and penalties and may result in damage to the Company's reputation and a general loss of trust
- 3) *Discloses* conflicts of interests to its clients, only as a measure of last resort, and only where the organizational and administrative arrangements established by the Company to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the client will be prevented,
- 4) *Determines whether* itself or a relevant person or a person directly or indirectly linked by control to it, in the course of providing investment and ancillary services or a combination thereof:
 - a. Is likely to make a financial gain or avoid a financial loss at the expense of the client,

- b. 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,
 - c. Has a financial or other incentive to favour the interests of another client or group of clients over the interests of the client,
 - d. Carries on the same business as the client,
 - e. Receives or will receive, from a third party (a person other than the client), an inducement in relation to a service provided to the client, in the form of monetary or non-monetary benefits or services,
- 5) *Keeps and regularly updates a record* of the kinds of investment or ancillary service or investment activity 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
 - 6) Ensures that the Company *maintains systems designed to prevent damage* to its clients' interests through identified conflicts
 - 7) Ensures that *senior management receives on a frequent basis*, and at least annually, relevant written reports for any cases giving rise to detrimental conflict of interest
 - 8) Ensures that *there is periodic review of the adequacy* of the Company's arrangements in relation to conflicts of interest. This policy is reviewed regularly, at least annually or whenever a material change occurs that presents a conflict of interest not contemplated in it. All appropriate measures should be taken in order to address any deficiencies, for example overreliance on disclosure of conflicts of interest,
 - 9) Ensures *that conflicts of interest situations are adequately reported*. The Company will encourage its employees to report any activity that may violate the policy. If any member of staff becomes aware that a conduct which has taken place is in breach of the provisions of this policy, they have a duty to report it. Any such incidents should be reported to a supervisor/line manager or via the whistleblowing line as per the Company's whistleblowing policy. Omitting to report violations of this policy can be considered as a disciplinary offence.

1.3. Identification, prevention and management of conflicts of interest

Actual and potential conflicts of interest may arise in a variety of situations within the Company. The Company maintains and operates effective administrative and organizational arrangements in order to prevent the occurrence of conflicts of interest, i.e. to prevent the exchange of information where there is a risk that the exchange would harm the clients' interests, prevent any person from exercising inappropriate influence over the way in which relevant persons carry out investment or ancillary activities and to prevent the involvement of relevant persons in different investment activities where their involvement could impair the proper management of conflicts.

A non-exhaustive list of specific examples of the Company's transactions and activities that constitute or may give rise to conflicts of interest entailing a risk of damage to the interests of

one or more clients is presented in the Company's conflicts of interest policy as communicated to the Company's clients.

For the purposes of paragraph 1.2(2) above, the procedures to be followed and measures to be adopted in order to prevent or manage such conflicts shall include at least those items in the following list that are necessary for the Company to ensure the requisite degree of independence:

1. 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;
2. 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's;
3. 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;
4. 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;
5. 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.

Some of the specific procedures to be followed and measures to be adopted in order to prevent or manage such conflicts are listed in the Company's conflicts of interest policy as communicated to the Company's clients

Furthermore, the Company has established a leverage policy with the measures adopted in order to prevent the potential conflict of interests arising between the commercial interests of the Company in the provision of leveraged products and the interests of a retail client.

1.3.1. Personal Transaction prohibition

The Company has applied the following procedures for personal transactions as a measure to prevent or manage conflicts of interest incident:

- The Company's employees are prohibited from investing in securities for which they have access to non-public or confidential information
- No relevant person may purchase or sell a security or cause the purchase or sale of a security for any account while in possession of inside information relating to that security
- No relevant person may recommend or solicit the purchase or sale of any security while in possession of inside information relating to that security.

- No relevant person may purchase or sell or cause the purchase or sale of a security for an employee or employee-related account or a proprietary account of the Company or an account over which an employee exercises investment discretion, while in possession of proprietary information concerning a contemplated block transaction in the security or for a customer account when such customer has been provided such information by any relevant person.
- Relevant persons engaged in research activities should not discuss unreleased information, opinions, recommendations, or research analysis in progress with Company associated persons engaged in sales activities, or any person within or outside the Company who does not have a valid business need to know information.
- Employees are also prohibited to keep investor accounts in other investing firms without Company's prior authorization and are obliged to bring this to Company's attention. They are also obliged to authorize the Company to directly request transaction reports from the other investment firms.
- Relevant persons are obliged to inform promptly the Company of all personal transactions.
- The Company informs relevant persons on the restrictions on personal transactions and the measures established by the Company in connection with personal transactions and notification procedures. The Compliance Officer has the responsibility to ensure that relevant persons have been informed.
- Relevant persons should disclose to the Compliance Officer the opening and closing of any personal accounts at any other investment firm for own investment purposes
- Any personal transactions performed should be notified to the Company within 24 hours.

1.4. Disclosure of Conflict of Interest

As indicated above, the Company shall ensure that disclosure to clients, is a measure of last resort that shall be used only where the effective organizational and administrative arrangements established by the Company to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the client will be prevented.

It is also noted that over-reliance on disclosure of conflicts of interest shall be considered a deficiency in the Company's conflicts of interest policy.

In certain circumstances, where the organizational or administrative arrangements made by the Company to prevent or manage conflicts of interest from adversely affecting the interest of its clients 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 the sources of conflicts of interest and the steps taken to mitigate those risks, before undertaking to provide services to the client. These disclosures should be tailored to the client

to whom they are addressed i.e. disclosure should mention the specific conflict that arises for that client type/category of service and the potential risk that might arise as a result of the and the steps undertaken to mitigate the risk. In such cases, the Company must clearly state that the organizational/administrative arrangements established by itself to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that there will not be a risk of damage to the interests of the client.

Such disclosure shall be made in a durable medium (which is any instrument that enables the client to store information addressed personally to him, in a way accessible for future reference for a period of time adequate for the purposes of the information and which allows the unchanged reproduction of the information stored) and shall include sufficient detail, taking into account the nature and/or the characteristics of the client, in order to enable that client to take an informed decision with respect to the investment or ancillary service, in the context of which the conflict of interest arises.

If the client is opposed to the Company acting on his behalf in such circumstances, he shall inform the Company in writing accordingly.

1.5.Conflicts of Interest policy communicated to clients

The Company has also established a conflicts of interest policy for the purpose of communicating the same to the Company's clients or potential clients.

1.6.Record of services or activities giving rise to detrimental conflict of interest

The Company maintains a record, which is regularly updated, of the kinds of investment and ancillary service or investment activity carried out by the Company or on its 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 on-going service or activity, may arise. The records of such conflicts shall also include management reports. The aim of these records is to assist the Company in meeting the disclosure requirement as explained above.

1.7. Additional organisational requirements in relation to investment research or marketing communications (Where applicable)

Where the Company produces, or arranges for the production of, investment research that is intended or likely to be subsequently disseminated to clients or to the public, under its own responsibility or that of a member of its group, shall ensure the implementation of all the measures set out in section 19.3 above 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

The Company shall have in place arrangements designed to ensure that the following conditions are satisfied:

- a. financial analysts and other relevant persons do not undertake personal transactions or trade, other than as market makers acting in good faith and in the ordinary course of market making or in the execution of an unsolicited client order, on behalf of any other person, including the Company, in financial instruments to which investment research relates, or in any related financial instruments, with knowledge of the likely timing or content of that investment research which is not publicly available or available to clients and cannot readily be inferred from information that is so available, until the recipients of the investment research have had a reasonable opportunity to act on it;
- b. in circumstances not covered by point (a), financial analysts and any other relevant persons involved in the production of investment research do not undertake personal transactions in financial instruments to which the investment research relates, or in any related financial instruments, contrary to current recommendations, except in exceptional circumstances and with the prior approval of a member of the Company's legal or compliance function;
- c. a physical separation exists between the financial analysts involved in the production of 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 or, when considered not appropriate to the size and organization of the firm as well as the nature, scale and complexity of its business, the establishment and implementation of appropriate alternative information barriers;
- d. the Company, financial analysts, and other relevant persons involved in the production of the investment research do not accept inducements from those with a material interest in the subject-matter of the investment research;
- e. the Company, financial analysts, and other relevant persons involved in the production of the investment research do not promise issuers favorable research coverage;
- f. before the dissemination of investment research issuers, relevant persons other than financial analysts, and any other persons are not permitted to review a draft of the investment research for the purpose of verifying the accuracy of factual statements made in that research, or for any purpose other than verifying compliance with the Company's legal obligations, where the draft includes a recommendation or a target price.

For the purposes of this paragraph, 'related financial instrument' shall be any financial instrument the price of which is closely affected by price movements in another financial instrument which is the subject of investment research, and includes a derivative on that other financial instrument

Where the Company disseminates investment, research produced by another person to the public or to clients shall be exempt from complying with paragraph above if the following criteria are met:

- a. the person that produces the investment research is not a member of the group to which the investment firm belongs;
- b. the Company does not substantially alter the recommendations within the investment research;
- c. the Company does not present the investment research as having been produced by it; the Company verifies that the producer of the research is subject to requirements equivalent to the requirements under the EU Delegated Regulation in relation to the production of that research, or has established a policy setting such requirements.