

## CONFLICT OF INTEREST POLICY

### **1. Introduction:**

Lionsman Capital Markets (Cyprus) Ltd (hereinafter referred to as the “Company”) is an Investment Firm regulated, by the Cyprus Securities and Exchange Commission (license no. CIF 175/12). Following the implementation of the Markets in Financial Instruments Directive (MiFiD) in the European Union and further to its implementation under Cyprus law with the Investment Services and Activities and Regulated Markets Law of 2007 (Law 144(I)/2007), the Company is required to provide its clients and any potential clients with a summary of its Conflicts of Interest Policy (hereinafter referred to as the “Policy”).

Under the current legislation the Company must act honestly, fairly and with professionalism and must maintain and operate effective organizational and administrative arrangements in order to take all reasonable steps and requisites for the prevention of conflicts of interest with its clients.

### **2. Scope:**

The present Policy applies to the Company between itself, including all its directors, managers, employees and any persons directly or indirectly linked to the Company (hereinafter called the “Relevant Persons”), and refers to all interactions with all clients or between one client and another, in relation to the Company.

### **3. Identification of Conflicts of Interest:**

For the purposes of identifying the types of conflict of interest that arise in the course of providing the Company’s Services, in investment and ancillary services or a combination thereof and whose existence may damage the interests of a client, the Company takes into account, whether the Company or a Relevant Person, is in any of the following situations, whether as a result of providing investment or ancillary services or investment activities or otherwise:

- (a) The Company or a Relevant Person 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 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) The Company or a Relevant Person has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;

- (d) The Company or a Relevant Person carries on the same business as the client;
- (e) The Company or a Relevant Person 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 monies, goods or services, other than the standard commission or fee for that service.

#### **4. Reporting, Procedures, Controls and the Managing of Conflicts:**

4.1 Such conflicts of interest situations or potential conflicts of interest situations should be reported, immediately, if identified by email or by any relevant means to the Company;

4.2 It might not be possible for the Company to prevent conflicts of interest from arising, in such cases it is the Company's policy to manage and control the conflicts of interest with the following measures:

i) Effective procedures to prevent or control the exchange of information between Relevant Person 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;

ii) The separate supervision of Relevant Person 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;

iii) The removal of any direct link between the remuneration of Relevant Person principally engaged in one activity and the remuneration of, or revenues generated by, a different Relevant Person principally engaged in another activity, where a conflict of interest may arise in relation to those activities;

iv) 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;

v) 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.

More specifically such measures include the following:

(1) A 'need to know' policy governing the dissemination of confidential or inside information within the Company.

(2) Chinese walls, which serve as information barriers, such that restrict the flow of confidential and inside information within the Company, and physical separation of departments.

- (3) Procedures governing access to electronic data.
  - (4) The appointment of an Internal Auditor to ensure that appropriate systems and controls are maintained and report to the Company's Board of Directors.
  - (5) Segregation of duties that may give rise to conflicts of interest if carried on by the same individual.
  - (6) Personal account dealing requirements applicable to Relevant Persons in relation to their own investments.
  - (7) A gifts and inducements log registering the solicitation, offer or receipt of certain benefits.
  - (8) Material information will be confined only to persons who have a need to know that information in order to carry out their responsibilities.
  - (9) A policy designed to limit the conflict of interest arising from the giving and receiving of inducements.
  - (10) The establishment of a Compliance Department which is responsible for the monitoring and reporting on the above to the Company's Board of Directors. Additionally, it is also reviewing the Company's and the Company's employees transactions and ensures the priority of client interests.
  - (11) The Company's Compliance Department is also responsible for identifying and managing potential conflicts of interests. The above will also update the relevant internal procedures and ensure compliance with such procedures.
  - (12) Establishment of the Four-Eyes principle in supervising the Company's activities.
- vi) The Company also undertakes ongoing monitoring of business activities to ensure that internal controls are appropriate.
  - vii) If not possible to avoid or manage a conflict of interest, the Company shall disclose the general nature and/or sources of interest to the client before undertaking business on its behalf and the Company reserves its right to decline to provide the requested Services.

## 5. **Miscellaneous:**

The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate.

Should you have a question about conflicts of interest please direct your questions to our in house Compliance Department at [compliance@lionsmancm.com](mailto:compliance@lionsmancm.com)