

CONFLICTS OF INTEREST POLICY

Introduction

The purpose of this Policy is to specify the procedures put in place by LCG Capital Markets Limited, hereafter 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 the Company’s commercial interests and reputation and to ensure that it complies with legislative requirements and the departmental procedures.

Legal Framework

In accordance with Regulation 80 of the Securities Industry Regulations registered firms are required to establish, implement and maintain effective conflict of interest policies and procedures set out in writing to avoid conflicts of interest arising or, if conflicts arise, to ensure fair treatment to all of the firm’s clients.

In addition, the firm’s policies and procedures represent reasonable steps to identify conflicts of interest between itself, including its managers, employees, agents and its clients or between one client and another, that arise in the course of providing any investment and ancillary services.

General

A conflict of interest can arise between the Company, our directors and staff and group companies and divisions and you as a client or between your interests and those of another client of ours.

We aim to establish and maintain and operate effective organizational and administrative arrangements with a view to taking all reasonable steps to prevent conflicts of interest from constituting or giving rise to a material risk of damage to the interests of our clients.

Our Policy

We endeavor to maintain a record of the types of activities we carry on in which we may have relationships or a material interest in which a material conflict could arise or has arisen, and, in doing so we take account of the activities of other members of our group of companies.

We also maintain procedures to manage actual or potential conflicts. This includes procedures to maintain appropriate independence between members of our staff who are involved in different activities, for example, through the operation of information barriers, the segregation of duties and responsibilities and maintenance of a policy of independence which requires our

staff, when providing services to a client, to act in the best interests of the client, or, in unique circumstances declining to act for a client or potential client if such a conflict is inevitable. Additionally, personal account dealing restrictions are applicable to all staff.

Disclosure: general

Where our arrangements to manage conflicts are not or cannot be sufficient to be reasonably confident that risks of damage to a client's interest will be prevented we aim to disclose the general nature and/or sources of conflicts before carrying on business for the client. This is to allow the client to consider whether to ask for more information and whether to continue with the service; we do not aim to provide detailed, highly specific or comprehensive information.

For the purposes of identifying the types of conflicts of interest that may arise in the course of providing investment and ancillary services or a combination thereof and whose existence may damage the interest 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 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, 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, 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 money, goods or services, other than the standard commission or fee for that service.

Relevant person in relation to the Company means any of the following persons:

- a) a member of the board of directors, partner or equivalent, manager or an agent of the Company;
- b) a member of the board of directors, partner or equivalent, or manager of any agent of the Company;
- c) an employee of the Company or of an agent of the Company, as well as any other natural person whose services are placed at the disposal and under the control of the Company or an agent of the Company 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 agent under an outsourcing arrangement for the purpose of the provision by the Company of investment services or/and the performance of investment activities;

The affected parties if conflict of interest arises can be the Company, its employees or its clients. More specifically, a conflict of interest may arise, between the following parties:

- a) Between the client and the Company.
- b) Between two clients of the Company.
- c) Between the Company and its employees.
- d) Between a client of the Company and an employee/manager of the Company.
- e) Between Company Departments.

Management of Conflicts of Interest

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) 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;

(b) The separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services to, Clients whose interest may conflict, or who otherwise represent different interests that may conflict, include those of the Company;

(d) 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;

(e) Measure 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.

(f) Other measures undertaken:

i. The Company undertakes ongoing monitoring of business activities to ensure that internal controls are appropriate.

ii. The Company undertakes effective procedures to prevent or control the exchange of information between Related 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.

iii. Measures to prevent or limit any person from exercising inappropriate influence over the way in which the Related Person carries out investment services.

iv. Measures to prevent or control the simultaneous or sequential involvement of a Related Person in separate investment services where such involvement may impair the proper management of conflicts of interest.

vii. Procedures governing access to electronic data.

viii. Segregation of duties that may give rise to conflicts of interest if carried on by the same

individual.

ix. Personal account dealing requirements applicable to Related Persons in relation to their own investments.

x. Establishment of Compliance Department to monitor and report on the above to the Company's Board of Directors.

xi. Prohibition on officers and employees of the Company having external business interests conflicting with the interests of the Company without the prior approval of the Company's board of directors.

xiii. A policy governing the dissemination of confidential or inside information within the Company.

xiv. Appointment of Internal Auditor to ensure that appropriate systems and controls are maintained and report to the Company's Board of Directors.

xviii. Staff members are required to notify the Company of any direct or indirect interest in financial instruments or issuers or any direct or indirect interests or relationships or linkages that could in any way create conflicts of interest with the Company or its clients.

xix. 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.

a. Disclosure of conflict of interest

Regulation 80 of the SIR requires that the Company not knowingly advise or exercise discretion in relation to a transaction unless it has fairly disclosed the material interest or relationship giving rise to the conflict and taken steps to manage the conflict to ensure that it does not adversely affect the interests of the client. Given that the Company's business activities involve providing an online platform for self-directed client trades in respect of which there may be potential conflicts, the Company will not normally proceed to disclose potential conflicts of interest to the client unless measures taken by the Company to manage such conflicts of interest are not sufficient to ensure, with reasonable confidence that risks of damage to clients' interest will be prevented,. In this event, prior to carrying out a transaction or providing an investment or an ancillary service to a client, the Company must disclose any actual or potential conflict of interest to the client. The disclosure will be made in sufficient time and in a durable mean and shall include sufficient detail, taking into account the nature of the client, to enable him to take an informed decision with respect to the investment or ancillary service in the context of which the conflict of interest arises.

Clients will be given the opportunity to decide on whether or not to continue their relationship with us with no unreasonable obstacles.

Gifts and hospitality

Staff members are forbidden to accept gifts, promotions, discounts or any other monetary or benefit in kind from Clients or third parties, which may create conflicts of interest. Gifts of low value may be accepted after approval from the Company.

Client's Consent

By entering into a Client Agreement with the Company for the provision of Investment Services, the Client is consenting to an application of this Policy on him. Further, the Client consents to and authorizes the Company to deal with the Client in any manner which the Company considers appropriate, notwithstanding any conflict of interest or the existence of any material interest in a Transaction, without prior reference to the Client.

In the event that the Company is unable to deal with a conflict of interest situation it shall revert to the Client.

Should you require any further information and/or have any questions about conflicts of interest please direct your request and/or questions to Customerservices.int@lcg.com