
CONFLICTS OF INTEREST POLICY

2020

Version	Date	Description	Prepared	Approved by/date	Distribution list /date
1.0	2016	First Release	Compliance officer (CO)	Board	All staff of investment department
2.0	2020	The Conflicts of Interest Policy is revised to include the examples of conflicts of interest	Regulatory Compliance officer (RCO)	Board	All staff

1. Introduction

This Conflicts of Interest Policy (“the Policy”) is established in accordance with the Law, which provides for the provision of investment services, the exercise of investment activities, the operations of regulated markets and other related matters **Law 87(I)/2017**, as subsequently amended from time to time (“the Law”), and pursuant to which, **WISE WOLVES FINANCE LTD** (“the Company”) is required to take all reasonable steps to detect and avoid conflicts of interest.

According to the Law, the Company has to establish, implement, and maintain a written conflicts of interest policy and to have arrangements in place to identify, monitor, manage and resolve conflicts of interests and ensure they do not damage the clients' interests. This policy highlights the potential conflicts of interest that may arise and how the Company intends to deal with them.

The Company is committed to act honestly, fairly and professionally and in the best interests of its Clients and to comply, in particular, with the principles set out in the above legislation when providing investment services and other ancillary services related to such investment services. This Conflicts of Interest Policy forms part of the agreement between the Client and the Company.

2. Application of the Policy

The Policy applies to all directors, employees, any persons directly or indirectly linked to the Company (hereinafter called “Related Persons”) and refers to all interactions with all Clients.

3. Type of conflicts

Conflicts of interest may arise between:

1. one client and another;
2. the Company and a client;
3. an employee and a client;
4. an employee and the Company and/or
5. one unit or the Company and another unit of the Company.
6. between the Company and a third party.

The Conflicts may arise when the Company:

- Developing a new product;
- Executing of clients' orders or providing services;
- Paying or receiving a monetary or non-monetary benefit from a third party;
- As a result of the structure and business activities of the Company, its divisions or other companies of the Wise Wolves group;
- In other circumstances.

In particular, the conflicts may arise in the course of providing investment and ancillary services or a combination thereof, when the interests of a Client may be damaged, for example in any of the following situations:

- a) the Company or the Relevant person¹ is likely to make a financial gain, or avoid a financial loss, at the expense of the Client;
- b) the Company or the 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 the 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 the Relevant person carries on the same business as the Client;
- e) the Company or the 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.

The non-exhaustive list of the Conflicts of Interest, the Company is facing is described in the Annex I to this Policy.

4. Company's approach to the management of conflicts of interests:

- i. Organisational arrangements, including policies and procedures as described below in section 5;
- ii. Disclosure to the affected party of the Conflict of Interest and the impact it may have on them (see section 6);
- iii. Not to provide the service, or undertake an activity or transaction, etc., which gives rise to the Conflict of Interest, where the Conflict of Interest cannot be prevented or managed effectively using other means above (section 7).

¹ any person or entity who is considered a related party of the Company under applicable legislation in the country of incorporation. Examples include an employee, a parent, subsidiary or fellow subsidiaries.

5. Measures applied by the Company to mitigate the Conflicts of Interest

The Company shall ensure that a Conflict of Interest does not adversely affect the interests of Clients, the Company itself, or its shareholders.

In order to mitigate the conflicts, which may arise during the operational activity, the Company established organizational, procedural and administrative arrangements to prevent, identify or manage conflicts of interest and which described in this section.

5.1. Responsibilities of staff

The Company has in place the internal procedures, which set out the obligations of the Board of Directors, Senior Management, immediate supervisors and all staff in regard to the management of Conflicts of Interests.

5.1.1. Board of Directors

The Management Body is responsible for decisions with respect to Conflicts of Interest of the Company's Directors Board members in accordance with applicable law.

5.1.2. Responsibilities of the Senior Management

The Senior Management is responsible for overseeing the identification, documentation, escalation and management of all Conflicts of Interest, which may arise within their relevant areas of responsibility at the Company.

Members of Senior Management are required to:

- i. establish and promote the appropriate culture which emphasizes the importance to act honestly, fairly and professionally and in the best interests of the Company's and to comply, in particular, with the principles set out in this policy, when providing investment services and other ancillary services related to such investment services;
- ii. ethical treatment of Clients and the fair handling of Conflicts of Interest;
- iii. establish policies, procedures and arrangements for the identification, documentation, escalation, management and ongoing monitoring of Conflicts of Interest;
- iv. be engaged in the clear communication of policies, procedures and expectations and the sharing of best practice throughout the Company;
- v. adopt a holistic view to identifying potential and emerging Conflicts of Interest within and across business units and to facilitate informed judgements with respect to materiality and the manner in which conflicts are handled;
- vi. raise awareness and promote adherence of staff in completing regular training both at induction and in the form of refresher training;
- vii. maintains internal systems and controls to document, track, manage and mitigate Conflicts of Interest risk, and regularly review their effectiveness;
- viii. consider the implications and take corrective action, where required, in connection with performance measurements or incentive schemes that may incentivise an employee to act contrary to the duties and responsibilities owed to the Company and under applicable Rules; and

- ix. utilise management information to remain sufficiently up-to-date and informed in connection with the matters listed above.

5.1.3. Responsibilities of the Immediate Supervisors

Employees, who act in a supervisory capacity are required to:

- i. to put all efforts in the process of the identification and management and, to the extent required by their department procedures, documenting Conflicts of Interest in their area of responsibility, including in connection with any current or planned activities;
- ii. assess any Conflicts of Interest reported to them by the employees;
- iii. determine, after consulting with Compliance as required, the best possible actions to resolve, manage or avoid the Conflict of Interest, including further escalation to the Senior Management, where necessary;
- iv. review on an annual basis or more regularly, if required, any reported Conflicts of Interest to ensure these are being managed in accordance with any agreed resolution; and
- v. allocate responsibilities to the employees, who report to them in a manner that does not lead to Conflicts of Interest and avoid allocation of responsibilities which will compromise the independence of control functions of the Company.

5.1.4. Responsibilities of all staff

The following responsibilities are assigned to the Company's staff for the purpose to identify and manage of the potential conflicts of interest:

All staff is responsible for identifying and managing Conflicts of Interest on an ongoing basis and are required to:

- a) comply with this policy, other internal policies and procedures relating to the identification, documentation, escalation and management of Conflicts of Interest;
- b) exercise professional judgement and discretion when considering the conflicts;
- c) act with the required degree of independence when discharging their responsibilities at the Company;
- d) avoid, wherever possible, situations giving rise to Conflicts of Interest due to any of the following:
 - i. personal financial interest;
 - ii. family members;
 - iii. previous, current or potential future involvement in an activity or endeavor (whether at the Company or externally); or
 - iv. different roles and responsibilities at the Company;
 - v. immediately disclose Conflicts of Interest to the supervisor (or the Board – for the Company's Directors) and remove themselves from the decision making process and not seek to influence such decisions any further;
 - vi. not be in a supervisory, subordinate or control relationship (having influence over conditions of employment) with closely related persons including family members;

- vii. not misuse information obtained in the course of working at the Company including in connection with dealing in securities;
- viii. manage work-related information on the basis of the Company's "need to know" principle, respecting information barriers and duties of confidentiality at all times;
- ix. escalate promptly issues of concern to their supervisors and Compliance so that Conflicts of Interest may be appropriately reviewed, managed and resolved;

5.2. Segregation of Functions and Duties

- The Company structurally segregates its business divisions and staff functions to ensure they act independently with required level of discretion;
- The Company established the internal control environment, which includes three lines of defense and ensure the independence of the control functions: Business units, Risk Management and Compliance/Internal audit.
- 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;
- All operation processes, where it is required and structurally possible are monitored by the seconds supervisor, i.e. the four eyes" principle is used.

5.3. Conflicts of Interest Register

The Company established and regularly revise the Conflicts of Interest Register, which maintains the records of the types of Conflicts of Interest that have arisen or may arise in the course of the Company's regulated services and activities or otherwise by virtue of the Company structural or business practices.

5.4. Information Barriers and Chinese Walls

- The Company ensures the confidentiality of information about its clients and complies with all applicable laws with respect to the handling of the information.
- 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;
- Access to confidential information is restricted to those who "need to know" and is consistent with the legitimate interest of a client or the Company.
- The Company maintains information barriers also known as "Chinese Walls". Chinese Walls are put in place to restrict information flows between different departments of the Company. The application of Chinese Walls provides the Company and its employees with the possibility to offer clients services without being affected by other information possessed by the Company which could result in Conflicts of Interest that may harm the interest of a client.

5.5. Inducements

The Company has in place procedure, which regulates and limits the conflict of interest arising from the giving and receiving of inducements from/or to third parties.

5.6. Relevant Persons

The following measures are implemented in relation to the Relevant Persons:

- The following rules apply with regard to the personal transactions of the Relevant Persons:
 - every Relevant Person is aware of the restrictions on personal transactions, and of the measures established;
 - the Board of Directors and /or Compliance is informed of the potential conflicts of the Relevant persons and approve any personal transaction entered into by a Relevant Person;
 - Relevant Persons may be asked to step aside from working on a specific transaction or participating in the management of a Conflicts of Interest, where necessary.
- a record is kept of the personal transaction notified to the Compliance, including any authorization or prohibition in connection with such a transaction;
- 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;

- measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out the provision of investment and ancillary services;
- measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate activities where such involvement may impair the proper management of Conflicts of Interest;

5.7. Market Abuse

- Proper measures are in place to ensure compliance with relevant market abuse obligations. A Relevant Person cannot enter into a Personal Transaction which meets at least one of the following criteria:
 - (i) that person is prohibited from entering into it under the Market Abuse regulatory framework;
 - (ii) it involves the misuse or improper disclosure of confidential information
 - (iii) it conflicts or is likely to conflict with an obligation of the Group under the Market in Financial Instruments Directive (MiFID, Directive 2014/65/EU);
 - (iv) advise or procure any other person to enter into a transaction in financial instruments which, if it was a personal transaction of the Relevant Person, would be forbidden;
 - (v) disclose any information or opinion to any other person if the Relevant Person knows that the other person, will or would be likely to take either of the following steps:
 - (a) enter into a transaction in financial instruments, which if a personal transaction of the Relevant Person would be forbidden under the applicable legislation,
 - (b) advise or procure another person to enter into such a transaction.

5.8 Third Parties

The Company has in place effective procedures for selection of the services providers and exercises appropriate due diligence when selecting outsourcing service providers, and including the identification of any conflicts of interest or potential conflicts of interest due to the fact that the outsourcing service provider constitutes a group of connected persons with:

- a) any member of the Group's senior management or management body;
- b) the Company's external auditors or
- c) the Company's external legal advisors.

5.9. Remuneration

The Company has in place remuneration policies and procedures which set out appropriate governance to prevent remuneration structures which may incentivize an employee to act contrary to their responsibilities, regulatory requirements or the Company's internal policies and procedures. Remuneration policies for employees prohibit situations that will give or potentially could give rise to Conflicts of Interest, e.g. profit share, success fees etc.

6. Disclosure and Client Consent

The Company may make general disclosure to clients about certain types of potential Conflicts, explaining how such Conflicts are managed (for example, through separation of businesses or measures to prevent unauthorised sharing of confidential information) to mitigate the risk of damage to clients' interests.

However, where the Company has used all reasonable efforts to prevent or manage a Conflict, but the risk of damage to a client interests remains, a specific disclosure about the presence of a Conflict will be made to the client. The Specific Disclosure is not permitted except as a measure of last resort and:

- i. will be made prior to the conclusion of a contract, in a durable medium, and include sufficient detail, taking into account the nature of the client, to enable that client to take an informed decision;
- ii. it must state that it is being provided to the Client because the Company's organisational and administrative arrangements established to prevent or manage that Conflict of Interest are not sufficient to ensure, with reasonable confidence, that the risk of damage to the interests of the Client will be prevented;
- iii. should take into consideration the nature of the Client and include a specific description of the Conflict of Interest that has arisen in connection with the proposed service; and
- iv. must include an explanation as to the general nature and source of the Conflict of Interest, the risks to the Client that arise as a result of the Conflict of Interest and a description of the steps undertaken to mitigate these risks.

7. Refusal to provide a service to Clients

Where the Company cannot prevent or successfully manage a conflict of interest situation, the Company may take a decision to refuse to provide the requested service or a transaction. In this case, the Company will inform the Client accordingly in writing.

8. Amendment of the Policy and Additional Information

The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate according to the agreement signed between the Company and 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 wwf@wise-wolves.com

Annex I. Non-exhaustive list of the Conflicts of Interest examples:

<p>Execution of clients orders</p>	<p>Conflict of interest may arise when the Company’s employee receives and/or executes or otherwise handles a Client order.</p> <p>The Company has policies in place to manage such Conflicts of Interest and thereby protect Client’s interests, requiring staff to act honestly, fairly and professionally in accordance with the best interests of a Client and prohibiting improper conduct by the Company’s traders, such as front-running Client orders</p>
<p>Personal Transaction</p>	<p>Conflict of interest may arise when the Company executes a Personal Transaction.</p> <p>The Personal Transaction Policy is in place and requires disclosure and approval for personal trading and pre-approval of specific trading activity.</p> <p>The approval or rejection of an employee Personal Transaction is based on consideration of the Company’s group-wide activities and engagement with its Clients in order to identify and thereby manage or avoid any Conflicts of Interest.</p>
<p>Inducements</p>	<p>A Conflict of interest may arise where the payment or receipt of an Inducement would create an incentive for the Company to act in a way other than in the best interests of its Client.</p> <p>The Company has established policies, procedures and controls with regard to the payment and receipt of Inducements in order to assess their appropriateness and manage any Conflict of Interest that may arise.</p>
<p>Remuneration</p>	<p>A Conflict of Interest may arise where the Company’s remuneration practice could incentivise a Company employee to act contrary to their responsibilities, regulatory requirements or the Company’s policies and procedures.</p> <p>The Company has implemented a Remuneration Policy, which specifically addresses remuneration in connection with the provision of investment services and ancillary services under MiFID.</p> <p>The purpose of this policy is to avoid Client interests being adversely affected by the Company’s incentive and remuneration practices.</p>
<p>Outside Business Interests</p>	<p>A Conflict of Interest may arise between a staff member’s outside business interests and the interests of the Company and its Clients. The Personal Transactions Policy imposes disclosure and approval requirements, enabling the identification, management and, where necessary, prohibition of outside business interests that may give rise to Conflicts of Interest.</p> <p>The information regarding employees’ outside business Interests is maintained in the Company’s Watch list, periodically reviewed and utilised for the conflicts management purposes.</p>

<p>Gifts</p>	<p>A Conflict of Interest may arise where a Company’s employee receives or offers a gift or entertainment that constitutes an inappropriate incentive for an employee, third party or a Client to act in a certain way.</p> <p>The Company’s internal policies and procedures does not permit the offering or acceptance of gifts by an employee unless it is reasonable, proportionate and for a legitimate business purpose.</p> <p>Where applicable, an employee must obtain pre-approval for gifts and approval will depend, among other criteria, on whether it may give rise to a Conflict of Interest.</p>
<p>Third Party</p>	<p>A Conflict of Interest may arise in the Company’s interaction with third parties, including services providers and their representatives. For example, an employee involved in the procurement or hiring process has a close relationship with a particular service provider or a third party representative.</p> <p>The Company operates multiple systems, controls, policies and procedures to manage these interactions, including due diligence requirements, contractual arrangements and an obligation on staff to disclose matters that might give rise to a Conflict of Interest.</p> <p>In addition, where a service provider is also an actual or potential Client of the Company, the Company seeks to manage these relationships independently and on an arm’s length basis under rules of engagement established between the Company, service provider and Clients in order to manage any Conflicts of Interest.</p>