

POLICY FOR THE PREVENTION AND MANAGEMENT OF CONFLICTS OF INTEREST

(Document updated in December 2017)

PRINCIPLES

GF Financial Markets (UK) Limited (“GFFM”) holds clients’ interest as a central and primary concern and this is reflected in the policies of each of its affiliates. This enables GFFM to prevent and manage the conflicts or potential conflicts of interest that may arise as a result of providing investment or ancillary services, or a combination of both, to one or more of its clients.

A conflict of interest arises where the interests of GFFM or its affiliates (or of their relevant personnel) conflict with those of a client, or the interests of a client conflict with those of another client.

Accordingly, for the purpose of identifying the types of conflict of interest that may arise in the course of providing services to its clients, GFFM shall take into account, in particular, whether GFFM or its affiliates, including their relevant personnel or persons directly or indirectly linked by way of control to GFFM or its affiliates:

- is likely to make a financial gain, or avoid a financial loss, at the expense of a client;
- has an interest in the outcome of a service or an activity provided to a client or of a transaction carried out on behalf of a client which is distinct from client’s interest in that outcome;
- has a financial or other incentive to favour the interests of a client or group of clients over the interest of another client; and
- 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 system for preventing and managing conflicts of interest elaborated by GFFM consists in implementing organisational measures and administrative procedures for handling and controlling transactions and is aimed at:

- Detecting situations which result in or which may lead to a conflict of interest;
- Preventing conflicts of interests;
- Establishing and maintaining an appropriate policy for managing conflicts of interest;
- Maintaining and updating a register of the activities for which conflicts of interest have arisen or are susceptible to arise;
- Informing clients in relation to any specific transaction, where the measures implemented do not provide a reasonable degree of certainty that the risk of a conflict of interest leading to a client’s interests being adversely affected will be avoided.

IDENTIFICATION OF CONFLICTS

GFFM will take the appropriate step to identify conflict of interest not only internally but also externally between the company and its clients. GFFM will rise the following activities to a conflict of interest including but not limited to:

- GFFM staff may *dealing investment* on trading venues or relevant markets in which GFFM's client are also trade with.
- GFFM staff may have proprietary trading based on the GFFM clients' confidential information.
- GFFM staff may have the same or similar business
- GFFM may have revenue share or similar business activities with other trading venues or clearing house that could affect GFFM's incentive use them.
- GFFM staff may receive the benefit from other party may affect the interest of GFFM's client.

PREVENTIVE MEASURES

GFFM ensures that its managers and staff respect applicable professional obligations and regulatory provisions. The "compliance" function has oversight of this.

In this context, structures, systems and procedures have been put in place to prevent and manage actual and potential conflicts of interest, and in particular:

- A hierarchic and physical separation of activities where there may be a conflict of interest (for example, between the activity on behalf of clients and that carried out for GFFM or an affiliate for its own account) aimed at preventing any undue passing of confidential information;
- Transparency with regard to the external interest of executives and their staff both in the context of their professional duties and when acting in a private capacity;
- Monitoring the quality and adequacy of services provided by external companies;
- Setting-up an ethical code which includes an obligation of discretion and confidentiality with regard to any information related to clients, aimed at ensuring fair and equitable treatment of its clients;
- Implementing a policy and controls in relation to payments received or made by the establishment with regard to transactions carried out with clients;
- Transparency with regard to gifts or benefits received or arising from professional activities;
- Setting-up of a "control room" for detecting conflicts and potential conflicts of interest, where investment services or activities giving rise to a potentially prejudicial conflict of interest are recorded.

CONTROLS

GFFM has set-up a control system to ensure, on the one hand, respect of the procedures aimed at preventing conflicts of interest and, on the other, detection of conflicts of interest that may arise, notwithstanding the preventive measures in place, with a view to solving them fairly and equitably.

With this end in mind, the departments responsible for controls oversee compliance with:

- procedures set up to detect and manage situations liable to generate conflicts of interest;

- restrictions imposed on the circulation of confidential information using “watch lists;”
- “restricted lists” which record the companies / issuers in respect of which GF Group has sensitive information;
- particular provisions governing transactions in securities carried out by members of management and staff in functions that are considered to be sensitive;
- the effectiveness of the tool for detecting conflicts or potential conflicts of interest.

DEALING WITH SITUATIONS OF CONFLICT OR POTENTIAL CONFLICTS OF INTEREST AND INFORMING THE CLIENT

In the event that, despite the precautions taken, a conflict or potential conflict of interest liable to adversely affect the clients' interests cannot be avoided, the GFFM procedures stipulate that measures appropriate for each situation must be implemented by the management in charge of the GF group establishment concerned, under the direction of and with the assistance of the "compliance" function.

If it nonetheless appears that the measures implemented are not sufficient for avoiding with reasonable certainty the risk of adversely affecting the interests of one of its clients, GFFM will inform its client and provide sufficient information and details of the general nature or source of the conflict of interest, prior to acting on its behalf, so that the client can make a decision fully awareness of the situation.

All additional information on this policy for preventing and managing conflicts of interest may be obtained by a written request to the GFFM Compliance Department.

GFFM
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