

CONFLICT OF INTEREST POLICY

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1. INTRODUCTION

Under the Law 144(I) of 2007 of Cyprus, FIBO is required to take all reasonable steps to detect and avoid conflicts of interest. FIBO 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.

We provide herein a summary of the policy we maintain in order to manage conflicts of interest in respect of the duties we owe to our Clients.

2. SCOPE

The Policy applies to all its directors, employees, any persons directly or indirectly linked to FIBO (hereinafter called “related persons”) and refers to all interactions with all Clients.

3. OBJECTIVES

The conflict of interest policy aims to ensure that the Company’s clients are treated fairly and at the highest level of integrity and that their interest are protected at all times. It also aims to identify conflicts of interest between:

- the Company and a Client;
- a relevant Person and a Client;
- two or more Clients of the Company in the course of providing services to these Clients; and to prevent conflicts of interest from adversely affecting the interest of its Client.

Conflicts of Interest Policy

Company’s Conflicts of Interest Policy sets out how:

- Company will identify circumstances which may give rise to conflicts of interest entailing a material risk of damage to Client’s interests;
- Company have established appropriate mechanisms and systems to manage those conflicts; and the Company maintains systems designed to prevent damage to our Clients’ interests through identified conflicts.

4. IDENTIFICATION OF CONFLICTS OF INTEREST

For the purposes of identifying the types of conflict of interest that arise in the course of providing investment and ancillary services or a combination thereof and whose existence may damage the interests of a Client, FIBO takes into account, whether FIBO 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) FIBO or a relevant person is likely to make a financial gain, or avoid a financial loss, at the expense of the Client;
- b) FIBO 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) FIBO 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) FIBO or a relevant person carries on the same business as the Client;

e) FIBO 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.

Potential Conflicts of Interest

Taking into consideration the services the Company offers, potential Conflict of Interest circumstances may include, but are not limited to:

- reception and transmission of orders;
- execution of orders;
- proprietary trading;
- ancillary services.

Below are non-exhaustive examples of what may be considered typical conflicts of interest that may arise in relation to investment services provided by the Company:

a) The Company may engage in business and trading activities for Client accounts whilst other Clients are active in relevant markets at the same time;

b) A transaction is effected in securities in respect of which the Company's director or employee is contemporaneously trading or has traded on its own account or has either a long or short position;

c) The Company or Relevant Person receives substantial gifts or entertainment (including non-monetary inducements) that may influence behaviour in a way that conflicts with the interest of the Client of the Company;

d) A transaction is effected in securities in respect of which the Company may benefit from a commission, fee, mark-up or mark-down payable otherwise than by a client, and/or Company may also be remunerated by the counterparty to any such transaction;

e) A director or employee of the Company is a director of, holds or deals in securities of, or is otherwise interested in any company whose securities are held or dealt in on behalf of a Client;

f) The Company may act as agent for a client in relation to transactions in which it is also acting as agent for the account of other customers and/or Group companies

g) The Company acting as agent for the Client, matches an order of the Client with an order of another customer for whom it is acting as agent.

h) The Company may have an interest in maximizing trading volumes in order to increase

its commission revenue, which is inconsistent with the client's personal objective of minimizing transaction cost.

5. PROCEDURES AND CONTROLS TO MANAGING CONFLICTS OF INTERESTS

In general, the procedures and controls that FIBO follows to manage the identified conflicts of interest include the following measures:

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 FIBO;
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. Such measures include the following:
 - a) A 'need to know' policy governing the dissemination of confidential or inside information within FIBO.
 - b) Chinese walls restricting the flow of confidential and inside information within FIBO, and physical separation of departments.
 - c) Procedures governing access to electronic data.
 - d) Segregation of duties that may give rise to conflicts of interest if carried on by the same individual.
 - e) Personal account dealing requirements applicable to relevant persons in relation to their own investments.
 - f) A gifts and inducements log registering the solicitation, offer or receipt of certain benefits.
 - g) The prohibition of external business interests conflicting with our interests as far as FIBO's officers and employees are concerned, unless Board of Directors approval is provided.
 - h) A policy designed to limit the conflict of interest arising from the giving and receiving of inducements.

i) Appointment of Internal auditor to ensure that appropriate systems and controls are maintained and report to FIBO's Board of Directors.

j) Establishment of the four-eyes principle in supervising FIBO's activities.

6. FIBO also undertakes ongoing monitoring of business activities to ensure that internal controls are appropriate;

7. FIBO has an in-house Compliance Department that is responsible for identifying and managing potential conflicts of interests. The above will also update the relevant internal procedures and ensure compliance with such procedures.

6. DISCLOSURE

Where a conflict arises and FIBO is aware of it, it will disclose the conflict to the Client prior to undertaking investment business for that Client or, if it does not believe that disclosure is appropriate to manage the conflict, we may choose not to proceed with the transaction or matter giving rise to the conflict.

7. CLIENT CONSENT

This Policy forms part of our Terms of Business. Therefore, by entering into an Adhesion Contract with FIBO, you are also agreeing to the terms of this Policy.