

## 1. PURPOSE OF THIS POLICY

1.1 Roemer Capital (Europe) Limited (**Roemer Capital** or **we**) is required by the Investment Services and Activities and Regulated Markets Law of 2017, as amended from time to time (**Law**) to notify its clients, about the main principles we use when dealing with conflicts of interest which may affect our clients.

1.2 Conflicts of interest are instances of situations where clients may be hurt due to the fact that their counterparty preferred to act not in their best interests. Both applicable regulations and best practices require us to detect conflicts of interest and establish organizational and administrative arrangements to manage conflicts of interest that are sufficient to ensure, with reasonable confidence, that risks of damage to our clients will be prevented.

1.3 Where it is not possible to adequately manage conflicts of interest, we shall disclose them to our clients in due course, so they decide how to proceed.

1.4 We are committed to treating our clients fairly and to follow the principles outlined above. We look to avoid placing ourselves in a position where our interests, or any persons on behalf of whom we may be acting, conflict with our duties to our clients.

1.5 This Conflicts of Interest Policy (**Policy**) describes the main conflicts of interest we are exposed to, and provides details on how we manage and mitigate this risk.

## 2. DEFINITIONS

| Term                     | Definition   |
|--------------------------|--|
| <b>Close Links</b>       | A situation in which two or more natural or legal persons are linked by: <ul style="list-style-type: none"><li>▪ participation in the form of ownership, direct or by way of control, of at least 20% of the voting rights or capital of an undertaking;</li><li>▪ control which means the relationship between a parent undertaking and a subsidiary, in all the cases referred to in section 148 of Firm Law and Article 22 (1) and (2) of Directive 2013/34/EU, or a similar relationship between any natural or legal person (Person) and an undertaking, any subsidiary of a subsidiary undertaking also considered to be a subsidiary of the parent undertaking which is at the head of those undertakings;</li><li>▪ a situation in which two or more natural or legal persons are permanently linked to one and the same person by a control relationship.</li></ul> |
| <b>Connected Persons</b> | A group of connected persons means: <ul style="list-style-type: none"><li>▪ Two or more natural or legal persons who, unless it is shown otherwise, constitute a single risk because one of them, directly or indirectly, has control over the other or others; or</li><li>▪ Two or more natural or legal persons between whom there is no relationship of control as described above but who are to be regarded as</li></ul>  |

| Term                                    | Definition  |
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|   | <p>constituting a single risk because they are so interconnected that, if one of them were to experience financial problems, in particular funding or repayment difficulties, the other or all of the others would also be likely to encounter funding or repayment difficulties.</p> <p>The interests of the persons listed below are connected in such a manner that they are considered as one person and constitute a single risk.</p> <ul style="list-style-type: none"> <li>▪ An individual borrower / director of Roemer Capital and/or his/her spouse and minors;</li> <li>▪ An individual borrower / director of Roemer Capital and a partnership or joint venture or other business association or enterprise in which the individual borrower / director of Roemer Capital or his/her spouse and minors is a partner or a member or director or has control in any other way;</li> <li>▪ An individual borrower / director of Roemer Capital and a company in which the individual borrower / director of Roemer Capital is a manager or has a material interest either on his/her own or together with his/her spouse and minors or together with any partners;</li> <li>▪ A borrower being a legal entity and its holding company, their subsidiaries or fellow subsidiaries or associated companies or other entities, which have a material interest in the said borrower.</li> </ul> <p>The above list is non-exhaustive.</p> |
| <p><b>Personal Transaction</b></p>      | <p>A trade in financial instruments effected by or on behalf of a Relevant Person, where at least one of the following criteria are met:</p> <ul style="list-style-type: none"> <li>▪ The Relevant Person is acting outside the scope of the activities he carries out in his professional capacity;</li> <li>▪ The trade is carried out for the account of any of the following persons: <ul style="list-style-type: none"> <li>○ The Relevant Person;</li> <li>○ Any Related Person, or a person with whom he has Close Links or is Person closely associated with;</li> <li>○ A person whose relationship with the Relevant Person is such that the Relevant Person has a direct or indirect material interest in the outcome of the trade, other than a fee or commission for the execution of the trade.</li> </ul> </li> </ul>  |
| <p><b>Person closely associated</b></p> | <p>Person closely associated means:</p> <ul style="list-style-type: none"> <li>▪ a spouse, or a partner considered to be equivalent to a spouse in accordance with national law;</li> <li>▪ a dependent child, in accordance with national law;</li> <li>▪ a relative who has shared the same household for at least one year on the date of the transaction concerned; or</li> </ul>   |

| Term   | Definition   |
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|  | <ul style="list-style-type: none"> <li>▪ a legal person, trust or partnership, the managerial responsibilities of which are discharged by a person discharging managerial responsibilities at Roemer Capital or by a person referred to in the points above, which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.</li> </ul>  |
| <b>Relevant Person</b>                           | <p>Relevant Person means, in relation to Roemer Capital, any of the following persons:</p> <ul style="list-style-type: none"> <li>▪ a member of the board of directors or equivalent, manager or tied agent/appointed representative (where applicable) of Roemer Capital;</li> <li>▪ a shareholder with a holding of 5% or more of the shares or voting rights of Roemer Capital, held either individually or jointly with their Related Persons;</li> <li>▪ an employee of Roemer Capital or of a tied agent/appointed representative, as well as any other natural person whose services are placed at the disposal and under the control of Roemer Capital, or a tied agent/appointed representative of Roemer Capital who is involved in the provision by Roemer Capital of investment services or/and the performance of investment activities;</li> <li>▪ a natural person who is directly involved in the provision of services to Roemer Capital or to its tied agent/appointed representative under an outsourcing arrangement for the purpose of the provision by Roemer Capital of investment services or/and the performance of investment activities;</li> <li>▪ any person who by virtue of their relation with Roemer Capital) (e.g. employees, managers, shareholders, associates, members of the board of directors) possesses inside information while he / she knows, or ought to have known that it is inside information.</li> </ul> |
| <b>Unlawful disclosure of inside information</b> | <p>Unlawful disclosure of inside information arises where a person possesses inside information and discloses that information to any other person, except where the disclosure is strictly made in the normal exercise of an employment, profession or duties (on a need-to-know basis), and the recipient of the inside information is under a duty of confidentiality (e.g. an employment contract or a nondisclosure agreement).</p>   |

### 3. WHAT IS A CONFLICT OF INTEREST

3.1 A conflict of interest exists any time we or our employees face a choice between personal interests or those of our business (financial or otherwise) and the interests of a customer. When such a conflict arises, it may prejudice our ability to take decisions objectively to the best advantage

of the customer.

3.2 During the normal course of our business activities, a conflict of interest may arise where there is a conflict of interest:

- between our interest, that of certain our Connected Persons to us or a member of our group and a duty owed to a client;
- between the differing interests of two or more of our clients, to each of whom we owe a duty, where the conflict of interest might damage or adversely affect either of their respective interests;
- between the two or more of our employees, or between us and our employees;
- between us and a member of our board of directors or senior management; or
- between us and our clients, as a result of the various activities and roles we undertake in any capacity.

3.3 According to applicable legislation, conflicts of interests may arise when:

- we or our Relevant Person is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- we or our 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;
- we or our 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;
- we or our Relevant Person carries on the same business as the client;
- we or our 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 monetary or non-monetary benefits or services.

## **4. EXAMPLES OF CONFLICTS OF INTEREST**

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4.1 The list below constitutes a set of hypothetical situations which may happen at any company of industry, us included. It does not list practices actually introduced by us. We are committed to adherence not only to the requirements of CySEC and other regulators whose legal demands we are to comply with, but also to implement the best practices in all the areas of our activities, including prevention of conflicts of interest, so we try to minimize possibilities of any of the practices listed below to be used within Roemer Capital.

(a) Different kind of remuneration or incentive schemes, various kinds of commission arrangements, other kinds of financial motivation systems for staff might encourage:

- to recommend services and/or products regardless of customers' investment profile, or to favour one investment solution over others, even though it may be less appropriate and/or suitable for the customer, or to execute greater turnover on customer's behalf,
- to resolve complaints in unfavourable for the customer way or to pay as little compensation out as possible on upheld complaints regardless of whether customers are being treated fairly;

- (b) Gifts, hospitality, entertainment and potentially other inducements could influence the Roemer Capital's business decisions such as:
- choosing counterparties, suppliers, contractors, intermediaries etc. regardless of whether they are the best option of all available,
  - deciding which service and/or product to promote regardless of its characteristics,
  - complaints and dispute resolution;
- (c) Close Links with other entities could influence the Roemer Capital's business decisions such as:
- choosing counterparties, suppliers, contractors, intermediaries etc. regardless of whether they are the best option of all available;
  - deciding which service and/or product to promote regardless of its characteristics,
  - complaints and dispute resolution;
- (d) Personal and close relationships of employees and senior officers may trigger:
- prioritizing one customer's interests over other interests (those of Roemer Capital, or of the other customers), including complaints handling,
  - choosing counterparties, suppliers, contractors, intermediaries etc. regardless of whether they are the best option of all available,
  - promotion of services and/or products regardless of their characteristics;
- (e) Senior management's aim to maximise net profits may be incompatible with responsibility to ensure that customer complaints are handled fairly (by limiting the pay out to the customer);
- (f) Directorships and positions of responsibility in other companies could influence the Roemer Capital's business decisions such as:
- procurement and corporate partnership decisions,
  - choosing counterparties, suppliers, contractors, intermediaries etc. regardless of whether they are the best option of all available,
  - promotion of services and/or products regardless of their characteristics,
  - production of research and/or analytical material as well as creation of promotional material containing all the necessary information and disclosures;
- (g) Having own investment account may allow the member of brokerage, portfolio management, or advisory teams:
- to place transactions in financial instruments via these accounts using inside information (such as information on clients' instructions and orders),
  - to trade ahead of customers for their own benefit.

## **5. CONFLICTS MANAGEMENT**

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5.1 Our arrangements are designed to keep conflicts of interest to the minimum. The arrangements are overseen by the Managing Director and the Head of Compliance and operate at both the corporate and the personal level, as described below.

Main measures employed by us

5.2 Where we are aware that a conflict or potential conflict of interest exists, we will, where possible, manage that interest by:

- operating a Chinese Wall;
- separating 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 Roemer Capital;
- removing 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;
- preventing or limiting any person from exercising inappropriate influence over the way in which a relevant person carries out investment or ancillary services or activities;
- preventing or controlling 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;
- as a measure of last resort, disclosing the conflict of interest to the client in writing.

5.3 A Chinese Wall is a barrier whereby information, price sensitive, commercially sensitive, or other confidential information (such as those relating to strategy or trade secrets or covered by a confidentiality undertaking) that may cause a conflict of interest, prohibits groups in our organization from sharing this information. This is achieved by:

- a physical barrier restricting the flow of information between employees, which is monitored and enforced (where physical barriers may be defined as for example floor-to-ceiling walls on the same floor). Where employees have access to controlled areas, they shall not lend their keys or other security passes to others or let people into that area unless they know who they are and that they are entitled to access that area;
- restricted access to documents and information, including electronic documents (unique usernames and passwords and strict non-disclosure policy, restricted access to certain computer drives);
- where documents and papers relating to conflict of interest needs to be destroyed, they must be shredded and properly disposed of. In addition, sensitive documents should only be printed in local printers, and where relevant to the dedicated printers within the applicable controlled area and should be promptly collected from the printer;
- prohibition and restriction of certain communications between employees. Employees should take care not to discuss confidential information in public places such as elevators, hallways, restrooms or at social gatherings or where it may be overheard by persons not entitled to know it;
- employees must avoid using speakerphones in areas where unauthorized persons may overhear conversations.

5.4 We require our employees to disregard any other business or personal relationship, arrangement or interest which is likely to influence their decisions when advising a client or when dealing for a client in the exercise of discretion. Accordingly, when assessing the appropriateness

of any advice for a client, or when undertaking any transaction for a client in the exercise of discretion, only that client's interests are to be considered, and the interests of any other client, the individual, or us, or any entity of our group are to be disregarded. In case of doubt, the employees are required to consult with the compliance team.

5.5 Our employees and senior management officers are prohibited from serving as officers, directors, or in other similar capacities of any public or private corporation, partnership, not-for-profit institution, or being employed by anyone other than group, without our prior approval.

5.6 Our employees undertake to adhere to these principles and confirm this commitment in writing when signing their employment contract.

#### Personal Transactions and sensitive information

5.7 CySEC regulations require us to establish adequate rules governing Personal Transactions by us, including our managers, employees and tied agents.

5.8 The employment contracts of our employees contain standard employment terms and conditions governing employee conduct, including personal dealing rules which control and mitigate conflicts of interest.

5.9 Our staff will need to attest on an annual basis their personal account dealing declaration, which helps to decrease the risk of an individual dealing ahead of customer or abusing their access to inside and or sensitive information.

5.10 We employ Chinese Walls system to prevent those with access to sensitive market information from dealing with an instrument (if an employee possesses information regarding the instrument, its issuer, or other material facts that could influence a decision of a reasonable investor to invest in that instrument) and/or engaging in investment advising and/or conducting research (if an employee is an insider with regards to the object of research).

#### Gifts policy

5.11 A conflict of interest may arise where an employee receives or offers a gift or entertainment that constitutes an inappropriate incentive. It is our policy not to permit the offering or acceptance of gifts or entertainment by our employees unless it is reasonable, proportionate and for a legitimate business purpose.

5.12 Where applicable, employees must obtain pre-approval from compliance for gifts and entertainment expenses. An approval will not be granted in case such gifts and entertainment expenses are seen to give rise to an actual or potential conflict of interest, or it is inappropriate in nature or otherwise breaches any of our policies and procedures.

5.13 Employees are prohibited from offering, giving, soliciting or accepting an inducement, gift or benefit if it is likely to materially conflict with any duty that we or the employee owes to its clients. Relevant inducements include inducements we or our employees receive from clients and third parties, as well as inducements given by us or our employees to other employees, clients and third parties of ours. Particularly, the following actions / controls have been established in order to prevent allegations of undue influence by or on staff that could adversely affect the clients' interests:

- Under no circumstances it is permissible for staff to accept cash from a client, supplier or any other third party;

- Any gifts and inducements may be given to clients, prospective clients and other third parties up to the value of EUR 250 and must be available to all. A record of gifts / hospitality distributed to clients should be submitted to the compliance team prior to it being offered;
- All gifts, inducements, entertainment and hospitality received from clients, prospective clients and other third parties may need to be declared to compliance immediately, accompanied by the nature of the gift / hospitality, as well as details of the contact person of the client;
- Any gifts, entertainment and hospitality received from clients, EUR250 or equivalent, needs to prior been approved by the line manager and compliance. A record shall be kept by the latter;
- The Head Compliance, on his/her discretion, has the authority to avert the employee to accept the gifts, entertainment and hospitality.

5.14 Overall, employees are expected to apply high standards of probity and ethical behaviour when accepting gifts or benefits.

5.15 Furthermore, systems, controls and procedures are in place to identify and manage the conflicts of interest that will arise when providing an investment service to an investment client to participate in a new issue, where Roemer Capital receives commissions, fees or any monetary or non-monetary benefits in relation to arranging the issuance.

5.16 In case where Roemer Capital decides to proceed with obtaining/receiving investment research from a third party, it shall be ensured that the provision of research by third parties to Roemer Capital shall not be regarded as an inducement if it is received in return for either of the following:

- direct payments by Roemer Capital out of its own resources;
- payments from a separate research payment account controlled by Roemer Capital, provided the following conditions relating to the operation of the account are met:
  - the research payment account is funded by a specific research charge to the client;
  - as part of establishing a research payment account and agreeing the research charge with their clients, Roemer Capital has set and regularly assesses a research budget as an internal administrative measure;
  - Roemer Capital is held responsible for the research payment account;

5.17 Where we make use of the research payment account, we shall provide the following information to clients:

- before the provision of an investment service to clients, information about the budgeted amount for research and the amount of the estimated research charge for each of the clients;
- annual information on the total costs that each of the client has incurred for third party research.

5.18 We will regularly assess the quality of the research purchased based on robust quality criteria and its ability to contribute to better investment decisions. Any commissions, fees or monetary or non-monetary benefits must comply with the inducements requirements, i.e. the payment or benefit:



- should be designed to enhance the quality of the relevant service to the client; and
- should not impair compliance with our duty to act honestly, fairly and professionally in accordance with the best interest of our clients.

## **6. IF YOU ARE SUSPECTING A CONFLICT OF INTEREST**

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6.1 If you possess knowledge or suspect a conflict of interest between you as our customer, or other customers, and us, our Relevant Persons and/or other customers, we kindly ask you to contact our compliance team at [compliance@roemercapital.com](mailto:compliance@roemercapital.com) and provide any relevant materials, such as a record of meetings, telephone conversations and all other sources of information which could be helpful.