

CONFLICT OF INTEREST POLICY

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CONFLICT OF INTEREST

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1. INTRODUCTION

Royal Financial Trading (Cy) Ltd, hereinafter referred to as the "Company" or "Royal" is incorporated in the Republic of Cyprus with Certificate of Incorporation No. HE349061. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission ('CySEC'), with license No. 312/16, and operates under the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law of 2017, Law 87(I)/2017, as subsequently amended from time to time (the "Law").

The Company also is operating under Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on Markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (the "Markets in Financial Instruments Directive 2014/65/EU" or "MiFID II") and amending Directive 2002/92/EC and Directive 2011/61/EU, as last amended by Directive (EU) 2016/1034 of the European Parliament and of the Council, of 23 June 2016 and under Regulation (EU) No 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (the "MiFIR").

The Company's head office is located at 152 Franklin Roosevelt Avenue, Limassol, 3045, Cyprus. Under the Law, the Company is required to take all reasonable steps to detect and avoid conflicts of interest. 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.

The Company provides herein a summary of the policy we maintain in order to identify and 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 the Company (hereinafter called "related persons") and refers to all interactions with all Clients.

3. SERVICE

"Conflicts of Interest" may, by way of example, occur within the context of

1. The investment services and or ancillary services, or any combination thereof provided by the company to its clients and in which possible "Conflicts of Interest" may arise, are the following

Investment Services

- Reception and transmission of orders in relation to one or more financial instruments:
- Execution of orders on behalf of the clients in relation to one or more financial instruments
- Provision of Investment Advice

Ancillary Services

- Safekeeping and administration of financial instruments including custodianship and related services.
 - Granting credits or loans to one or more financial instruments, which the firm granting the credit or loan is involved in the transaction
 - Foreign exchange services that are connected to the provision of investment services
 - Investment research and financial analysis or other forms
2. Inducements in connection with the investment services and/or ancillary services, or any combination thereof provided by the company to its clients.
 3. Performance-related remuneration paid to the Company's staff and intermediaries in connection with investment services and/or ancillary services, or any combination thereof provided by the company to its clients.
 4. Inducements granted to the Company's staff and intermediary investment services and/or ancillary services, or any combination thereof provided by the company to its clients.
 5. The Company's relationship with issuers of financial Instruments
 6. The preparation of financial analysis on securities offered for sale to the Company's Clients
 7. Access and use of information obtained by the Company or the staff of the Company which is not in the public domain.
 8. Personal relationships of the Company's staff, or any persons associated with them, or the participation of such persons in supervisory or advisory bodies

4. IDENTIFYING CONFLICTS OF INTEREST

4.1 When the Company deals with the Client, the Company, an associate or some other person connected with the Company may have an interest, relationship or arrangement that is material in relation to the Transaction concerned or that it conflicts with the Client's interest. While it is not feasible to define precisely or create an exhaustive list of all relevant conflicts of interest that may arise, as per the current nature, scale and complexity of the Company's business, the following list includes circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more Clients, as a result of providing investment services:

- (a) When the Company accepts Client order in Contracts for Difference ("CFD"), the Company will be dealing in the CFD concerned as principal for the Company's account.
- (b) The Company may be matching the Client's Order with that of another Client by acting on both their behalves.
- (c) The Company may receive or pay inducements from or to third parties due to the referral of new Clients or Clients' trading.
- (d) The Company may use entities which are members of its group as counterparties to certain transactions on an ad hoc basis.

4.2 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, 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 a 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 favour the interest of another Client or group of Clients over the interests of the Client.
- (d) The Company or a relevant person participates in 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 monies, goods or services, other than the standard commission or fee for that service.

4.3 The Company is a member of a group and as such potential circumstances of conflict of interest duties may, inter alia, arise because:

- (a) The Company and/or any other member of the group exercises the same activity as the Client.
- (b) A transaction is effected in financial instruments in respect of which the Company may benefit from a commission, fee, or non-monetary benefit payable otherwise than by the Client.
- (c) The Company acts as agent for the Client in relation to transactions in which it is also acting as agent for the account of other Client's including members of the Company's Group.
- (d) The Company deals in financial instruments as principal with the Client.
- (e) The Company or any other member of the Company's Group receives remuneration or other benefits by reason of acting in the provision of investment research or similar transactions involving an issuer whose financial instruments are held by the Client
- (f) The Company has a direct or indirect interest in a transaction.

5. PROCEDURE ON MANAGING 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 interests may conflict, or who otherwise represent different interests that may conflict, including those of the Company.
- (c) 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.

- (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) A 'need to know' policy governing the dissemination of confidential or inside information within the Company.
- (f) Chinese walls restricting the flow of confidential and inside information within the Company, and physical separation of departments.
- (g) Procedures governing access to electronic data.
- (h) Segregation of duties that may give rise to conflicts of interest if carried on by the same individual.
- (i) Personal account dealing requirements applicable to relevant persons in relation to their own investments.
- (j) A gifts and inducements log registering the solicitation, offer or receipt of certain benefits.
- (k) Prohibition of external business interests conflicting with our interests as far as the Company's officers and employees are concerned, unless Board of Directors approval is provided.
- (l) A policy designed to limit the conflict of interest arising from the giving and receiving of inducements.
- (m) Establishment of in-house Compliance Department to monitor and report on the above to the Company's Board of Directors.

6. EXAMPLE CONFLICTS OF INTEREST

Potential 'Conflicts of Interest' that may arise in providing the service Execution of Client Orders in relation to one or more financial instruments.

Where the Company is providing the service of receiving and transmitting Client Orders in relation to one or more financial instruments, 'Conflicts of interest' could arise in cases in which Orders are received at the same time from different Clients for the purchase or sale of certain financial instruments, such as equity securities, with no counterpart existing in the market for the different Orders

The Company may be paid inducements by fund companies and issuing houses as remuneration for the sale of their financial instruments. This may include portfolio volume dependent trailer fees paid by fund companies out of the respective management fees collected from investors and the sales commissions paid by issuers of securities in the form of placement commissions, reductions on issue prices (discount/rebate) and trailer fees. In order to avoid any 'Conflicts of Interest', in those instances where the Company is paid inducements by fund companies and issuing houses as a remuneration for the sale of their financial instruments, the Company has decided not to retain inducements paid in favour of the Company, but to pass such payments through to its Clients. Furthermore, in some instances, the Company may receive non-monetary inducements from other service providers in connection with its investment business, e.g. financial analyses or other data, training and sometimes technical services and equipment for access to third-party information and dissemination systems. These inducements are not directly related to services provided to Clients and the Company uses them to provide the high quality services that Clients expect. They allow on-going improvements to the Company's Services.

With respect to the transactions conducted via its online trading platform(s), the Company charges commissions according to the conditions as agreed with its Clients. The level of commission is based on and limited to the respective surcharge as defined in the Company's current schedule of fees and services, which is accessible on the Company's Website(s)

Potential 'Conflicts of Interest' that may arise in providing investment advice

Where the Company is providing the service of Investment Advice, Clients receive Advice from one of the Company's Investment Advisers with regards to buying or selling financial instruments. The Company, through its Investment Advisers,

provides Advice on whether to buy or sell assets on the basis of investment guidelines agreed with the Client. In these instances, 'Conflicts of Interest' could arise in the following instances:

- (a) in the event of the purchase or sale of financial instruments on behalf of Clients in illiquid or non-transparent markets; in some instances this could result in a large profit for the Company or for another Client.
- (b) the fee received by the Company's employees providing Investment Advice services may be based on the performance of the Client's portfolio they are managing; in this instance, there may be an implicit incentive related to the increase in performance, which could lead to situations where Advisers, at the time of providing the service, do not take into account the risks inherent in their investment decisions, leading to action that is contrary to the interests of a Client or group of Clients;

As such arrangements may exacerbate existing 'Conflicts of Interest', the Company, in order to counter the associated risks, has introduced appropriate procedures as in particular by an investment selection process based on each individual Client profile. Furthermore, all inducements received within the scope of an Investment Advice related Client relationship are passed through to the Company's Clients.

- (a) they may obtain a financial gain or avoid a financial loss, at the expense of a Client;
- (b) they have an interest in the outcome of the service provided to a Client or the transaction performed on their behalf, other than the interest of the Client

The Company itself may have a 'Conflict of Interest' in instances where it purchases a financial instrument for a Client and then sells it immediately to one of its other Clients or vice versa.

7. CLIENTS' 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. 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.

8. DISCLOSURE OF INFORMATION

If during the course of a business relationship with a Client or group of Clients, the organizational or administrative arrangements/measures in place are not sufficient to avoid or manage a conflict of interest relating to that Client or group of Clients, the Company will disclose the conflict of interest before undertaking further business with the Client or group of Clients.

9. AMENDMENT TO THE POLICY AND OTHER INFORMATION

The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate without notice 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 compliance@oneroyal.com.cy.

10. MONITORING AND REVIEW

The Company will monitor on a regular basis the effectiveness of this Policy. In addition, Company will review the Policy at least annually. A review will also be carried out whenever a material change occurs that affects the ability of the Company to continue to the best possible result for the execution of its client orders on a consistent basis using the venues included in this Policy. The Company will notify its affected clients of any changes in its Policy.