Summary of the Conflicts of Interest Prevention Policy

Investment Brokerage Company “Alphinox Quality” | AS “ALPHINOX QUALITY”
Dzirnavu iela 42, Riga | Registration No. 40203180478
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Approval

APPROVED — Dmitrijs Bauļins, Chairman of the Supervisory Board, 17 August 2021, Supervisory Board meeting Minutes No. 1.

APPROVED — Jūlija Bistrova, Chairwoman of the Management Board; Jānis Libeks and Andrejs Tumanovs, Members of the Management Board; 10 August 2021, Management Board meeting Minutes No. 2.

1. General provisions

1.1. The joint-stock investment brokerage company “Alphinox Quality” (hereinafter the **Company**) establishes, implements and maintains an effective, written policy on conflicts of interest, appropriate to the nature, scale and complexity of the Company's business and taking account of applicable regulatory requirements.

1.2. The terms and definitions established in the Company's Conflicts of Interest Prevention Policy (hereinafter the **Conflicts of Interest Prevention Policy**) also apply to this summary of that policy.

2. Purpose and objectives

2.1. The Company has developed the Conflicts of Interest Prevention Policy to identify potential conflicts of interest, assess and manage them, and establish procedures for preventing conflicts of interest.

2.2. The Company takes all appropriate steps to identify and prevent Conflicts of Interest that may arise in the course of providing investment services and ancillary investment services.

2.3. To achieve the purpose of the Conflicts of Interest Prevention Policy, the Company carries out, among others, the following tasks:

2.3.1. identifies, documents and prevents situations involving conflicts of interest;

2.3.2. ensures the clarity, accuracy and truthfulness of information provided to the Company's Clients;

2.3.3. ensures that Company employees prevent conflicts of interest when performing their duties and refrain from making decisions on transactions in which they have, or may have, a conflict of interest;

2.3.4. ensures that all Company employees comply with the regulatory requirements governing the management of conflicts of interest;

2.3.5. ensures that the Company's governing bodies (members of the Management Board and Supervisory Board) are responsible for implementing and overseeing governance arrangements that ensure effective and prudent management of the Company, including the allocation of responsibilities within the Company and prevention of Conflicts of Interest, in a manner that promotes market integrity and protects Clients' interests.

3. Measures for managing Conflicts of Interest

3.1. An appointed Responsible Employee oversees the measures and policies implemented by the Company to prevent and manage Conflicts of Interest. That employee:

3.1.1. organises and oversees the preparation, implementation and observance of the relevant procedures and Policy;

3.1.2. organises training for Company employees to ensure that measures for preventing and managing Conflicts of Interest are sufficiently embedded in the Company's day-to-day operations;

3.1.3. monitors employee compliance with the Policy and related regulatory documents;

3.1.4. advises Company employees on whether a Conflict of Interest exists in a particular situation and how to prevent or manage it.

3.2. The Company keeps and regularly updates records of the types of investment services and ancillary investment services provided by it or on its behalf that have caused, or could cause, a Conflict of Interest presenting a material risk of damage to the interests of one or more Clients. The Management Board must be informed of this information regularly and at least once a year.

4. Potential situations involving Conflicts of Interest

4.1. A Conflict of Interest is deemed to exist where:

4.1.1. the Company provides investment services or ancillary services within the meaning of the Financial Instruments Market Law (FITL); and

4.1.2. the interests of the Company's Client may be adversely affected as a result of providing those services.

4.2. Circumstances that may indicate a Conflict of Interest include:

4.2.1. the Company, a person associated with the Company, an undertaking belonging to the Company's group, or a person who directly or indirectly controls the Company could make a financial gain or avoid a financial loss at the expense of a Company Client;

4.2.2. the Company, an associated person, a group undertaking, or a person directly or indirectly controlling the Company has an interest in the outcome of a service provided to a Client or a transaction carried out on a Client's behalf that differs from the Client's interest in that outcome;

4.2.3. the Company, an associated person, a group undertaking, or a person directly or indirectly controlling the Company has a financial or other incentive to favour another Client or group of Clients;

4.2.4. other circumstances specified in the Company's Conflicts of Interest Prevention Policy.

4.3. Given the nature of the Company's activities, Conflicts of Interest may arise, among other circumstances, when providing portfolio management services:

4.3.1. where the Company trades in Financial Instruments held in a portfolio management Client's individual portfolio and simultaneously trades for its own account (for example, the Company acts at the same time as buyer on behalf of the Client and seller of the relevant Financial Instrument);

4.3.2. where the Company trades in Financial Instruments held in the individual portfolios of two or more portfolio management Clients (for example, the Company simultaneously buys on behalf of one Client and sells on behalf of another);

4.3.3. where Company employees trade in Financial Instruments held in a portfolio management Client's individual portfolio while simultaneously carrying out personal transactions.

4.4. Given the nature of the Company's activities, Conflicts of Interest may arise, among other circumstances, when providing investment advice concerning Financial Instruments:

4.4.1. issued by an undertaking belonging to the Company's group;

4.4.2. on which the Company has prepared Investment Research;

4.4.3. held in the investment portfolio of a person associated with the Company.

4.5. Given the nature of the Company's activities, Conflicts of Interest may arise, among other circumstances, when producing Investment Research:

4.5.1. on Financial Instruments issued by the Company or an undertaking belonging to the Company's group;

4.5.2. on investment certificates or units of a fund;

4.5.3. on Financial Instruments that constitute a material component of the individual portfolio of a Company Client or of a fund portfolio.

5. Final provisions

5.1. In managing Conflicts of Interest, the Company complies with the requirements of Commission Delegated Regulation (EU) 2017/565.

5.2. Any amendments or additions to the Conflicts of Interest Prevention Policy and/or this summary enter into force on the date they are published on the Company's website.