

Conflicts of Interest Policy

1. Introduction

Swissquote, a trading name of Swissquote Capital Markets Cyprus Limited (“SQCM” or “Swissquote”), an investment firm regulated and authorized by the Cyprus Securities and Exchange Commission (“CySEC”) under License No. CIF 422/22, has adopted the Conflicts of Interest Policy in order to disclose its clients and potential clients the procedures set in place for the identification, prevention and management of potential conflicts of interest.

2. Purpose

The Conflicts of Interest Policy (“Policy”) established by SQCM, provides information on the approach followed in identifying the circumstances which may give rise to a conflict of interest, the measures and controls in place for preventing the rise of such conflicts of interest, including the management of any conflicts of interest which may arise during the course of its normal business activities.

SQCM 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 applicable rules, laws and regulations when providing investment services and ancillary services to clients.

3. Scope

The Policy applies to all Relevant Persons as defined in the Delegated Regulation (EU) 2017/565 as regards to organizational requirements and operating conditions for investment firms. In particular, the Policy applies to:

- a. a director, partner or equivalent, manager or tied agent of the firm;
- b. a director, partner or equivalent, or manager of any tied agent of the firm;
- c. an employee of the firm or of a tied agent of the firm, as well as any other natural person whose services are placed at the disposal and under the control of the firm or a tied agent of the firm and who is involved in the provision by the firm of investment services and activities;
- d. a natural person who is directly involved in the provision of services to the investment firm or to its tied agent under an outsourcing arrangement for the purpose of the provision by the firm of investment services and activities.

4. Identification of Potential Conflicts of Interest

The affected parties, if conflict of interest arises can be SQCM, its employees or its clients. More specifically, a conflict of interest may arise, between the following parties:

- Between the client and SQCM;
- Between two clients of SQCM;
- Between SQCM and its employees;
- Between a client of SQCM and an employee/ manager;
- Between SQCM’s Departments.

Conflicts may arise between you and us (including any representative) where we:

- stand to make any financial gain, or avoid any financial loss, at your expense;
- have an interest in the outcome of a Service provided to you, or any transaction carried out on your behalf, which is distinct or different from your interest in the outcome of the Service or transaction;
- have a financial or other incentive to favor the interest of another client or group of clients over your interests;
- carry on the same business as you; or
- receive from or pay to any third party an inducement (i.e. commission or fee) relating to the Services provided to you.

5. Potential Conflicts of Interest

With respect to the potential areas of Conflict outlined above, the following are the most relevant factors, which may give rise to a Conflict between you and us:

- when we execute a transaction for you, we enter into the trade as agent and your orders will be transmitted to our associated company for execution;
- you may have been introduced to us by a third party who may receive remuneration, however, we will provide you with full written details of any amounts that we pay to a third party, even where you have requested us to make such payments on your behalf.

We aim to keep a record of the kinds of activity we carry on in which a material conflict could arise or has arisen, and, in doing so we also take account of the activities of other members of our group of companies.

6. Management of Conflicts of Interest

SQCM maintains and operates effective organisational and administrative procedures to manage and prevent any identified conflict of interest from constituting or giving rise to a risk of damage to the interests of our clients. In addition, the second and third line of defense undertake regular monitoring of the business operations to ensure that these internal controls are continue to be appropriate.

Our representatives are required to act in the best interests of each individual client and not to prioritize the interests of one client over the interests of any other client.

The measures adopted are designed to ensure that relevant persons engaged in different business activities involving a potential conflict of interest carry on those activities at a level of independence proportionate to the size and activities of SQCM, and to the risk of damage to the interests of our clients.

The processes and controls that the Compliance Department follows to manage the identified conflicts of interest include the following:

- 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;

- 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 firm;
- 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;
- 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;
- 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.

Our Policy adopts procedures and measures to manage and control the conflicts of interest identified, so we are always acting in the best interests of our clients. These include the following among others:

- Prevention and control of the unauthorized exchange of information about clients or client orders;
- Segregation of duties and responsibilities that may give rise to conflicts of interest if carried on by the same individual;
- Personal account dealing requirements applicable to relevant persons in relation to their own investments;
- A gifts and inducements log registering the solicitation, offer or receipt of certain benefits;
- Chinese walls restricting the flow of confidential and inside information within SQCM, and physical separation of departments;
- Procedures governing access to electronic data;
- A policy designed to limit the conflict of interest arising from the giving and receiving of inducements;
- Establishment of the four-eyes principle in supervising SQCM's activities;
- Internal systems are in place to ensure that otherwise comparable client orders are carried out sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable;
- Establishment of an Inducements Policy and procedure. SQCM may pay and/or receive fees and/or commissions and/or any non-monetary benefits to and/or from third-parties. SQCM ensures that it will only accept and/or pay such fees and/or commissions and/or any non-monetary benefits to and/or from any third parties at its own reasonable belief that such benefits will enhance the quality of the offered services to its clients. SQCM ensures that such fees and/or commissions and/or non-monetary benefit do not impair the SQCM's duty to act in the best interests of the client.
- Appointment of Internal Auditor to ensure that appropriate systems and controls are maintained and report to the Board of Director.

7. Disclosure of Conflicts of Interest

In cases where a specific conflict arises and SQCM does not have appropriate organisational and administrative arrangements in place to prevent or manage such conflicts of interest, SQCM will disclose such incident to its clients. The disclosure will clearly state that the organisational and administrative arrangements established by SQCM to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the client will be prevented. The

disclosure shall include specific description of the conflicts of interest that arise in the provision of investment and/or ancillary services, taking into account the nature of the client to whom the disclosure is being made. The description shall explain the general nature and sources of conflicts of interest, as well as the risks to the client that arise as a result of the conflicts of interest and the steps undertaken to mitigate these risks, in sufficient detail to enable that client to take an informed decision with respect to the investment or ancillary service in the context of which the conflicts of interest arise. SQCM ensures that disclosure to clients, pursuant to Article 23(2) of Directive 2014/65/EU, is a measure of last resort.

8. Consent

By accepting the Terms and Conditions with Swissquote for the provision of investment services, the client is consenting and accepting the application of this Policy as this may be amended and/or updated from time to time. Further, the client consents to and authorizes SQCM to deal with the client in any manner which it considers appropriate, notwithstanding any conflict of interest and/or the existence of any material interest in the investment services and/or activities provided, without prior reference to the client. In the event that SQCM is unable to deal with a conflict-of-interest situation it shall revert to the client and inform him/her on the respective conflict of interest.

9. Record Keeping

SQCM keeps and regularly updates a record of the investment and ancillary services or investment activities carried out by or on behalf of SQCM in which a conflict of interest entailing a risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service or activity, may arise. The documentation shall be maintained for a minimum period of five (5) years. The Board of Directors shall receive on a frequent basis, and at least annually, written reports on the conflicts of interest policies and controls.

10. Change to the Policy

The Policy will be reviewed, at least annually and/or when it is deemed necessary by the Compliance Officer. Any changes to the Policy will be approved by the Board of Directors. SQCM reserves the right to amend its policies at any time by making them public on its official website.

The client consents and agrees that the latest versions of any of the terms and/or policies published on Swissquote's official website shall prevail as this has been communication via a durable medium. Additional information and/or clarifications in relation to the Policy is available upon explicit written request. Questions may be directed to our Customer Support Department via e-mail at support_sqcm@swissquote.com.