

Conflicts of Interest Policy

Introduction

In accordance with the Investment Services and Activities and Regulated Markets Law of 2017, as amended from time to time ("the Law"), ("the Company") we are required to provide our clients and potential clients (hereinafter the "client") with our Conflicts of Interest Policy (hereinafter the "Policy"), appropriate to the size, organisation, nature, scale and complexity of our business. The Company is committed to act honestly, fairly and professionally and in the best interests of its Clients and to comply with the principles set out in the Law when providing services.

The Conflicts of Interest Policy aims to identify, prevent and or manage conflicts of interest between the Company including its managers and employees, tied agents, or other relevant persons, as well as any person directly or indirectly linked to them by control ("relevant person"), and its clients or between one client and another or combinations thereof, including those caused by the receipt of inducements from third parties or by the Company's remuneration and other incentive structures, that arise in the course of providing our services and prevents the Company from putting the interests of its Clients before those of the Company and/or relevant person, or the interests of one Client or a group of Clients ahead of another Client. In such a situation, the Company shall pay due regard to the interests of each Client and manage any potential conflicts of interest accordingly.

This Policy sets out the Company's approach in identifying the circumstances which may give rise to a conflict of interest and how the Company shall manage and where possible prevent Conflicts of Interest which may arise during the normal course of business activities.

Identification of Potential Conflicts of Interest

For the purposes of identifying the types of conflict of interest that may arise, the Company shall take into account by way of minimum criteria, the question of whether the Company and/or any relevant person is in any of the following situations as a result of providing investment services;

- a) The Company/relevant person is likely to make a financial gain, or avoid financial loss, at the expense of the Client;
- b) The Company/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/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/relevant person carries on the same business as the Client;
- e) The Company/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.
- f) The Company/relevant person is in possession of information obtained in the ordinary course of their business which would benefit the Relevant person or the Client, but such information is not publicly known.

Specifically, given the current nature, scale and complexity of the Company's business, the following possible conflicts of interest have been identified:

- a) Selection of Service Providers; The company has relationships with many third-party product providers/financial institutions who may remunerate the company via commission or fees and may favour one over the other in the recommendation process if higher commission/fees are available. The company and all affiliated persons are expected to act in the client's best interest at all times and to make suitable recommendations according to the client's individual profile and where possible to offer more than one recommendation to provide clients with choice.
- b) Remuneration; The company has established, implemented and maintains a remuneration policy. When reviewing our remuneration policy and practices we consider the conduct of business and conflicts of interest risks that may arise and take reasonable measures to avoid or manage them appropriately. The company's remuneration policy and practices have been designed, inter alia, in such a way so as not to create incentives that may lead persons to favour their own interests, or the company's interests to the potential detriment of clients and to promote code of conduct and investor protection requirements as well as serve clients' best interests.
- c) Receipt of fees and commission; The Company is not paying or is being paid any fee or commission or providing or being provided with any non-monetary benefit ("fee") in connection with the provision of an investment service to the client, unless the fee is designed to enhance the quality of the relevant service to the client and disclosed to the client prior to any transaction.

A fee shall be considered to be designed to enhance the quality of the relevant service to the client if all of the following conditions are met:

- it is justified by the provision of an ongoing service to the client, relevant and proportional to the level of fee received, such as:

- the provision of objective information helping the relevant client to take investment decisions or enabling the relevant client to monitor, model and adjust the range of financial instruments in which they have invested, or providing periodic reports of the performance and costs and charges associated with the financial instruments.
- it does not directly benefit the recipient firm, its shareholders or employees without tangible benefit to the relevant client;

In relation to any payment or benefit received from or paid to third parties, the Company shall disclose to the client the information required by the relevant Law.

d) Inducements; The Company may receive or pay inducements to or from third parties due to the referral of new clients. Where an employee may give or receive gifts from clients, companies or other institutions in recognition of services provided. We take care to ensure that these gifts are not excessive and do not create an obligation or debt.

e) Access to electronic data; The Company has a security policy in place, which governs the access to electronic data so that the persons engaged in each department do not have a direct physical access to records and information concerning the subject matter of another department and which are not considered necessary for the execution of specific work. Specifically, separate permissions and access rights are provided for the various departments.

f) Supervision and segregation of departments; The Company maintains separate supervision and segregation of departments/ functions which provide services to clients, whose interests may conflict with those of other clients or with the interests of the Relevant person.

In respect of these conflicts, the Company maintains and operates procedures with a view to taking all appropriate steps to prevent conflicts of interest from constituting or giving rise to material risk of damage to the interests of its clients.

Procedures and Controls to Managing Conflicts of Interest

In general, the procedures and controls adopted by the Company follows to manage the identified conflicts of interest include the following, but not limited, 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. Remuneration practices in general which are designed so as not to create a conflict of interest or incentive to employees to favour their own or the Company's interests to the potential detriment of any Client.
- d) The Board of Directors of the Company sets out the Company's arrangements to ensure that its compensation arrangement will not give rise to conflicts of interest between the Company, its relevant persons, employees and Clients.
- e) Measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out investment or activities.
- f) Chinese walls restricting the flow of confidential and inside information within the Relevant person, and physical separation of departments.
- g) Segregation of duties that may give rise to conflicts of interest if carried on by the same individual.
- h) Procedures governing access to electronic and/or hard copy data and information.
- i) Personal account dealing requirements applicable to relevant persons in relation to their own investments.
- j) Prohibition of external business interests conflicting with our interests as far as the Relevant person's officers and employees are concerned, unless Board of Directors approval is provided.
- k) A policy designed to limit the conflict of interest arising from the giving and receiving of gifts and/or inducements and/or other benefits in kind from clients or third parties, which may create a conflict of interest including a gifts and inducements log registering the solicitation, offer or receipt of certain benefits.
- l) The establishment of an Investment Committee for the approval of financial instruments/institutions that may be used in the provision of Investment Advice.
- m) Establishment of in-house Compliance Department to monitor and report on the above to the Company's Board of Directors.

- n) Appointment of Internal Auditor to ensure that appropriate systems and controls are maintained and report to the Relevant person's Board of Directors.
- o) Establishment of the "four-eyes" principle in supervising the Company's activities.
- p) In the case where the Company distributes marketing communication to its Clients, it ensures that the said communication is reviewed and approved by the Compliance Officer prior to distribution. The Compliance Officer also ensures that such communication meets the relevant definition of marketing communication as well as having the appropriate disclosure statement.
- q) The establishment of procedures regarding the notification process by all employees and relevant persons to the Compliance Officer in the event that a conflict of interest may be created due to the undertaking of a specific function.
- r) The identification of transactions that are unreasonable or cannot be adequately explained whose aim is to increase the Company or a relevant person's volume of activities or fees received by third parties and are not in the best interest of a client.
- s) The Company also undertakes ongoing monitoring of business activities to ensure that internal controls are appropriate.

In circumstances not covered by the points above and given the nature of a conflict of interest situation, the Compliance Officer and/or the Senior Management shall decide whether to allow a transaction or not allow the transaction all together by notifying the Client.

Clients consent

By signing the Client Agreement and Terms of Business, you also acknowledge the application of this policy and consent and authorise the Company to deal with you in a manner which it considers appropriate, notwithstanding any conflicts of interest or the existence of any material interest in a transaction, without prior reference. In the event that the Company is unable to deal with a conflict of interest situation it shall revert to the Client.

Disclosure of Information

If at any given time and during the course of a business relationship between the Company and a Client it appears to be the case that the organisational or administrative arrangements/measures in place are not sufficient to mitigate and/or avoid and/or manage a conflict of interest, the Company will disclose the conflict of interest, in a durable medium appropriate to the context of our business relationship, which shall include sufficient detail, i.e. general nature and/or sources of conflicts of interest) before undertaking further business with the Client.

Amendment/Review of the Policy

The Company reserves the right to review and/or amend this Policy and arrangements at any given time it deems suitable and appropriate without notice to the Client. The Policy is available for review by clients on the Company's website and any new version will be effective from the time of posting on the website, we ask you to review our website on a regular basis to ensure that you have read the latest version.

General Information

For further details with regards to the Company's Conflicts of Interest Policy and procedures, you may contact the Support Department at info@nfs-insurance.com