

# CONFLICTS OF INTEREST POLICY

Argus Stockbrokers Ltd  
Metropolis Tower, 1st & 2nd Floor  
25 Demostheni Severi Ave., 1080, Nicosia, Cyprus

Κ.Ε.Π.Ε.Υ. 010/03 Member of the CSE, ASE & ADEX  
Regulated by the Cyprus Securities & Exchange Commission

P.O. Box 24863, 1304, Nicosia, Cyprus  
t.+357 22717000  
f.+357 22717070  
email [argus@argus.com.cy](mailto:argus@argus.com.cy)  
[www.argus.com.cy](http://www.argus.com.cy)

## CONFLICTS OF INTEREST POLICY

Argus Stockbrokers Ltd (hereafter the “Company”) is an Investment Firm incorporated and registered under the laws of the Republic of Cyprus, with registration number HE 108270. The Company is authorised and regulated by the Cyprus Securities and Exchange Commission (hereafter the “CySEC”) under the license number 010/03.

### 1. Introduction

This is the **Conflicts of Interest Policy** of the Company, with the application of the “Investment Services and Activities and Regulated Markets Law 87(I)/2017”, pursuant to the European Directive MiFID II – Market in Financial Instruments Directive. MiFID II is the European Parliament and Council’s Directive 2014/65 EC, for financial markets.

Under the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 87(I)/2017 (the “Law”), the Company is required to take all sufficient 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 and Ancillary Services.

The Company provides herein a summary of the policy it maintains in order to manage conflicts of interests.

### 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 the provision of all Investment and Ancillary Services to all clients.

### 3. Identification of Conflicts of Interest

The Company hereby identifies and discloses a range of circumstances which may give rise to a conflict of interest and potentially but not necessarily be detrimental to the interests of one or more clients. Such a

conflict of interest may arise if the Company, or any person directly or indirectly controlled by the Company or a client, is likely to make a financial gain, or avoid a financial loss, at the expense of a client or may have an interest, relationship or arrangement that is material in relation to the transaction concerned or that conflicts with the client's interest.

The Company has identified the following circumstances which may give rise to a conflict of interest:

- a. the Company may be matching the client's orders with that of another client by acting on such other client's behalf as well as on the client's behalf;
- b. the Company may be advising and providing other services to associates or other clients of the Company who may have interests in Financial Instruments or investments or Underlying Assets, which are in conflict or in competition with the client's interests;
- c. the Company may provide advice to a corporate client while also (i) acting for investors in that corporate client or (ii) providing ongoing or transactional advice to other corporate clients which operate in the same industry sector;
- d. the Company may be in possession of confidential client information which if inappropriately used or shared, whether internally or with another client, may damage the interests of the client to whom the information relates;
- e. the Company's portfolio managers may trade any financial instrument on behalf of the clients knowing that the trades will be beneficial to the Company, its employees' or related persons' positions in the same financial instruments;
- f. the Company, its employees and related legal persons may have, establish, change or cease to have positions in any financial instrument covered by an investment recommendation or advice;
- g. the Company may have an interest in maximizing trading volumes in order to increase its commission revenue, which is inconsistent with the client's personal objective of minimizing transaction costs;
- h. the Company may receive or pay inducements to or from third parties due to the referral of new clients or clients' trading;
- i. the Company or a related 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;
- j. the Company or a related person has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
- k. the Company or a related person carries on the same business as the client.

#### **4. Procedures and Controls to Managing Conflicts of Interests**

In general, the procedures and controls that the Company follows to manage the identified conflicts of interest include the following measures:

- 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. All employees are bound by professional secrecy and confidential information is only to be shared if essential for performing a job function.
- c. All employees receive instructions and guidance regarding managing of conflicts of interest.
- d. 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.
- e. 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.
- f. 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.
- g. Chinese Walls restricting the flow of confidential and inside information within the Company, and physical separation of departments.
- h. Procedures governing access to electronic data.
- i. Segregation of duties that may give rise to conflicts of interest if carried on by the same individual.
- j. Personal account dealing requirements applicable to relevant persons in relation to their own investments.
- k. A gifts and inducements log registering the solicitation, offer or receipt of certain benefits.
- l. 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.
- 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 Company's Board of Directors.
- o. Establishment of the four-eyes principle in supervising the Company's activities.
- p. The Company also undertakes ongoing monitoring of business activities to ensure that internal controls are appropriate.

## **5. Disclosure of Conflicts of Interest**

The client consents to and authorises the Company to deal with or for 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. If the measures in place are not sufficient to avoid or manage a conflict of interest relating to a client, the Company will disclose the conflict of interest before undertaking further business with the client.

## **6. Recording Conflicts and Further Information**

The Company's Compliance Department has documented a formal risk management framework that is applied to potential, perceived and actual conflicts of interest.

The Company keeps and regularly updates a record of the types of business activities carried out by or on its behalf in which conflicts of interest have arisen or, in the case of an ongoing business service or activity, may arise.

In addition the Company regularly and at least on an annual basis monitors and evaluates the adequacy and effectiveness of the Conflicts of Interest policy and takes appropriate measures to address any deficiencies that are identified.

*Version: 01 January 2018*