

APPENDIX VI. CONFLICTS OF INTEREST POLICY

INTRODUCTION

- 1.1. JFD Group Ltd is a Cypriot Investment Firm (“CIF”) registered with the Department of Registrar of Companies under number HE 282265 and regulated by the Cyprus Securities and Exchange Commission (“CySEC”) under license number 150/11 (hereinafter called the “Company”).
- 1.2. Under the Investment Services and Regulated Market Law of 2017 (Law number: 87(I)/2017), 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.
- 1.3. The Company provides herein a summary of the policy it maintains in order to manage conflicts of interest in respect of the duties it owes to its Clients, employees, associates or Related Persons affiliated with the Company are prohibited from engaging in any business or financial transactions that could result in personal financial gain or advantage at the expense of the Company or that could impair their ability to make impartial decisions on behalf of the Company.

2. SCOPE

- 2.1. The Policy applies to all its directors, employees, and any persons directly or indirectly linked to the Company (hereinafter called “Related Persons”) and refers to all interactions with all Clients.

3. IDENTIFICATION OF CONFLICTS OF INTEREST

- 3.1. When the Company deals with or for 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 conflicts

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with the Client's interest. While it is impossible to fully encompass or compile an exhaustive inventory of all significant conflicts of interest that may arise, considering the present characteristics, scope, and intricacies of the Company's business, the following compilation includes scenarios that either constitute or have the potential to generate a conflict of interest with a substantial risk of detriment to the client's interface when procuring services from JFD Services:

- a) The Company has the option to align the Client's orders with those of another Client, while simultaneously representing the interests of both clients.
- b) The Company may act as a principle for JFD's account when accepting Client's orders on CFDs.
- c) The Company might offer advice and additional Services to associates or other Clients that could potentially conflict with the advice given to the Client.
- d) The Company's portfolio managers may trade in Financial Instruments on behalf of the Clients knowing that the trades will be beneficial to JFD, its employees' or Related Persons' Positions in the same Financial Instruments.
- e) The Company's portfolio managers and/or Affiliates may trade/hold Financial Instruments on behalf of the Clients knowing that JFD and/or its Affiliates hold and/or plan to hold opposite Positions.
- f) The Company and/or Related Persons may have, establish, change or cease to have Positions in Financial Instruments covered by an investment advise.
- g) The Company may be a counterparty in the Client's positions, resulting in the Company making a profit or avoiding a financial loss, potentially to the detriment of the Client.
- h) The Company may receive or provide incentives to third parties as a result of referring new clients or handling client orders.
- i) The Company or Related Persons may have a vested interest in the outcome of a service provided to the Client or an order executed on the Client's behalf, and this interest may differ from the Client's own interest in the same outcome.
- j) The Company or a Related Person may conduct the same business as the Client.
- k) The Company or a Related Person may have a financial or other incentive to favor the interest of another Client or group of Clients over the interests of the Clients.

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- l) The Company may provide investment advice or portfolio managements services to its Clients, while also recommending or selling products issued by the Company or affiliated companies.
- m) The Company or Related Persons may invest in Client's funds through direct or indirect acquisition of shares.
- n) The company might establish a flexible compensation plan for Related Persons, potentially leading to conflicting interests compared to those of the Client.

3.2. The Client consents to and authorizes 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. Company employees are required to comply with a policy of independence and to disregard any such material interest or conflict of interest while offering services to the Client.

3.3. 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 Related 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 Related Person is likely to make a financial gain, or avoid a financial loss, at the expense of the Client.
- b) 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.
- c) The Company or a related person has financial or other incentives to favour the interest of another Client or group of Clients over the interests of the Client.
- d) The Company or a Related Person carries on the same business as the Client.
- e) The Company or a related 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

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of monies, goods or services, other than the standard commission or fee for that service.

4. PROCEDURES AND CONTROLS TO MANAGING CONFLICTS OF INTERESTS

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

- a) Adequate measures are implemented to prevent or manage the exchange of information among relevant individuals engaged in activities that pose a conflict of interest, especially when such information exchanging could potentially harm the interests of one or more Clients.
- b) The separate supervision of Related 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) Ongoing monitoring of business activities to ensure that internal controls are appropriate.
- d) The removal of any direct link between the remuneration of Related Persons principally engaged in one activity and the remuneration of, or revenues generated by, different Related Persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities.
- e) Measures to prevent or limit any person from exercising inappropriate influence over the way in which a Related Persons carries out investment or ancillary services or activities.
- f) Measures aimed at preventing or managing the simultaneous or sequential participation of a Related Person in separate investment services, where such participation could compromise the effective handling of conflicts of interest.
- g) Remuneration practices that are regularly reviewed, with a minimum frequency of once a year.
- h) A 'need to know' policy governing the dissemination of confidential or inside information within the Company.
- i) Chinese walls restricting the flow of confidential and inside information within the Company, and physical separation of departments.
- j) Procedures governing access to electronic data.

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- k) Segregation of duties that may give rise to conflicts of interest if carried on by the same individual.
- l) Personal account dealing requirements applicable to Related Persons in relation to their own investments.
- m) 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.
- n) A policy designed to limit the conflict of interest arising from the giving and receiving of inducements.
- o) Establishment of in-house Compliance Department to monitor and report on the above to the Company's Board of Directors.
- p) Appointment of an Internal auditor to ensure that appropriate systems and controls are maintained and report to the Company's Board of Directors.
- q) Establishment of the four-eye principle in supervising the Company's activities.
- r) The Company also undertakes ongoing monitoring of business activities to ensure that internal controls are appropriate.

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