



Conflict of Interest Policy

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1. Introduction

This Conflict of Interest Policy ("the Policy") is provided to you (our Client or prospective Client) in accordance with the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 9(I)/2022 in connection with Law 87 (I)/2017 ("the Law"), as subsequently amended from time to time, pursuant to which GBE Brokers Ltd. ("the Company") is required to take all reasonable steps to detect, handle and/or mitigate conflicts of interest.

The Company is committed to act honestly, fairly and professionally and in the best interest 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.

The purpose of this document is to set out the Company's approach in identifying and managing conflicts of interest which may arise during the course of its normal business activities. In addition, this document identifies circumstances which may give rise to a conflict of interest.

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 all interactions with Clients.

Further the policy shall raise the awareness about potential conflicts of interest occurring between "Non-Related Persons" to the Company and the Company's Clients, i.e. where the Company's Client has a direct agreement with an Asset Management Companies, Portfolio Management Companies, Investment Advisors, etc.

3. Identification of Conflict of Interest

When the Company deals with the Client, the Company, an associate or other third-party person connected with the Company may have an interest, relationship or arrangement that is material in relation to the Client's transaction concerned or conflicting with the Client's interest.

While it is not feasible to define precisely or create an exhaustive list of all relevant conflicts of interest that may arise, as per the nature, scale and complexity of the Company's business there exist certain circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more Clients, as a result of providing investment services.

Non-exhaustive list of circumstances which constitute or may give rise to a conflict of interest:

- (a) 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;

- (b) the Company's bonus scheme awards its employees based on the trading volume etc.;
- (c) the Company or a Related Person has an interest in the outcome of a service provided to a Client or of a transaction carried out on behalf of the Client, which is distinct from the Client's interest in that outcome;
- (d) the Company or a Related Person receives a financial or other incentive to favour the interest of another Client or group of Clients over the interest of other Client;
- (e) the Company or a Related Person receives a financial or other incentive to favour the interest of another Client or group of Clients over the interest of other Client;
- (f) the Company is in the same business as the Client.
- (g) the Company may have an interest that is contrary to clients' transactions, e.g. when clients trade in markets where the Company acts as a market maker;
- (h) When acting as a market maker the Company may manage its own risk by hedging in the market, which may affect market levels and thus affecting Client's levels including stop-loss levels. Furthermore, the Company may profit from its hedging activity even though the Client's transaction declines in value;
- (i) the Company, its employees, related and affiliated persons may participate or have personal relationships with supervisory or advisory boards.
- (j) When the Client entered into an agreement (i.e. portfolio management agreement) with a Non-Related Person to the Company, the Non-Related Person may have an interest, relationship or arrangement that is material in relation to the transaction concerned or is conflicting with the Client's interest.

The Company wants to raise the awareness of the Client about practices that could be conflicting with the Client's interest and should be considered when entering into agreements with a third party. The following list is non-exhaustive and other potential conflicts of interest could derive from third party contracts:

- a) the Non-Related Person may be remunerated by the Client in a way that incentivizes the Non-Related Party to maximise Client's Trading Volumes, which is inconsistent with the Client's personal objective of minimizing transaction costs;
- b) the Non-Related Person may be remunerated by the Client in a way that incentivizes the Non-Related Party to apply Trading Strategies, which maximise the Non-Related Person's profits. This may be inconsistent with the Client's personal objective of Profit / Risk allocations;
- c) the Non-Related Party may have, establish, change or cease to have positions in the same Financial Instrument(s) where an investment advice has been given to Company Client;
- d) the Non- Related Party has financial or other incentive to favour the interest of another Client or group of Clients over the interest of the first Client;
- e) the Non-Related Party's bonus scheme may award its employees based on the trading volume of Company Client etc.

1. 4. Procedures and Controls for Managing Conflict of Interest
2. The procedures and controls the Company follows to identify and manage the recognized conflict of interest include the following measures (list is non-exhaustive):
 - (a) the Company undertakes ongoing monitoring of business activities to ensure that internal controls are appropriate;
 - (b) the Company undertakes effective procedures to prevent or control the exchange of information between Related Persons engaged in activities involving a risk of a conflict of interest, where the exchange of that information may harm the interest of one or more Clients;
 - (c) the separate supervision of Related Persons, whose principal functions involve providing services to Clients, whose interest may conflict, or who otherwise represent different interest that may conflict, including those of the Company;
 - (d) measures to prevent or limit any person from exercising inappropriate influence over the way in which the Related Person carries out investment services;
 - (e) measures to prevent or control the simultaneous or sequential involvement of a Related Person in separate investment services, where such involvement may impair the proper management of conflicts of interest;
 - (f) a policy designed to limit the conflict of interest arising from the giving and receiving of inducements;
 - (g) a policy designed to limit the conflict of interest arising from the remuneration of the Company's Employees;
 - (h) Chinese walls restricting the flow of confidential and inside information within the Company, and physical separation of departments;
 - (i) procedures governing access to electronic data;
 - (j) segregation of duties that may give rise to conflict of interest if carried out by the same individual;
 - (k) personal account dealing requirements applicable to Related Persons in relation to their own investments;
 - (l) Market Making is performed in a fully automated trading environment and not subject to an individual's choice;
 - (m) the Company will only hedge for such purposes and in a manner that is not to a disadvantage of a Client or disrupts the market;
 - (n) all clients are treated fairly and with transparency;
 - (o) the Company's bonus scheme is compounded of several elements and no element on its own is affecting the bonus significantly;
 - (p) all Employees and representatives, if required by the regulatory authority, hold the necessary license to perform the duties of their positions;
 - (q) establishment of in-house Compliance Department to monitor and report to the Company's Board of Directors on the above;

- (r) prohibition of officers and employees of the Company having external business interest conflicting with the interest of the Company without prior approval of the Company's Board of Directors;
- (s) appointment of an Internal Auditor to ensure appropriate systems and controls are maintained and report to the Company's Board of Directors any deficiencies;
- (t) establishment of the "four-eyes" principle in supervising the Company's activities;
- (u) In a case conflict of interest cannot be avoided, the Company will disclose them to the Client concerned, before carrying out Client's order;
- (v) Internal training for the personnel regarding the management of Conflict of Interest;
- (w) avoid/prevent/remove any linkage between the remuneration of relevant persons engaged in one activity and the remuneration/revenues generated by different relevant persons engaged in another activity, where a conflict of interest may arise in a relation to such activities;
- (x) employees are prohibited from accepting gifts or other inducements from any person with any material interest which is likely to conflict to a material extent with any duty which the Company and/or its Employees owes to customers;
- (y) in circumstances not covered by the above points 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 by notifying the Client, or not allow the transaction all together.

5. Client's Consent

By entering into a Client Agreement with the Company for the provision of Investment Services, the Client is consenting to an application of this Policy on him. Further, the Client consents to and authorizes the Company to deal with 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.

6. Disclosure of Information

If during the course of a business relationship with a Client or group of Clients, the organizational or administrative arrangements/measures in place are not sufficient to avoid or manage a conflict of interest relating to that Client or group of Clients, the Company shall revert and disclose the conflict of interest before undertaking further business with the Client or group of Clients.

7. Amendment of the Policy and Additional Information

The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems appropriate according to the terms of the Client Agreement between the Company and the Client.

Should you require any further information and/or have any questions about conflict of interest please direct your request and/or questions to compliance@gbebrokers.com.