

CONFLICT OF INTEREST POLICY

Last updated March 2018

Article 1. The present Policy on prevention, establishment and management of conflict of interest of the investment intermediary “UP TREND” LTD (the “Investment intermediary”) was elaborated in conformity with the requirements of article 76 of the Financial Instruments Markets Act (FIMA), Delegated Regulation (EU) 2017/565 and Ordinance № 38 on the requirements towards the activity of investment intermediaries (Ordinance № 38).

Article 2. The present Policy on prevention, establishment and management of conflict of interest (the “Policy”) is in conformity with the size and organizational structure of the investment intermediary, as well as with the nature, scale and complexity of its business.

Article 3. When rendering investment services and activities, as well as additional services, the investment intermediary undertakes the measures defined in the present Policy, in order to establish and prevent or manage conflicts of interest between:

1. the investment intermediary including the persons that manage the investment intermediary, the persons that work under contract for it, the bound agents, if any, or every person that directly or indirectly is related to the investment intermediary in terms of the control, on one hand, and its clients, on the other hand;
2. its individual clients.

Article 4. The investment intermediary implements all measures and criteria for the prevention, establishment and management of potential conflicts of interest in relation to rendering the individual types of investment services defined in article 37 – article 41 of Delegated Regulation (EU) № 2017/565.

Article 5. The policy aims at ensuring that the particular persons who participate in various activities, related to conflict of interest, perform these activities only with the degree of independence that corresponds to the size and activities of the investment intermediary, as well as the risk of being in prejudice of clients’ interests.

Article 6. In order to define the types of conflict of interest that occur while rendering the investment and supplementary services or their combination and whose existence could be in prejudice of client’s interests, we bear in mind whether the investment intermediary or the particular person, directly or indirectly related to the investment intermediary via control, is in some of the following situations, irrespective of whether it resulted from rendering investment or supplementary services, or otherwise:

1. the investment intermediary or that person could realize financial profit or avoid financial loss on the account of the client;
2. the investment intermediary or that particular person is interested in the result of the service being rendered to the client or in the transaction being effected on its account, which differs from client’s interest in that result;
3. the investment intermediary or that particular person has financial or other incentive to prefer the interest of other client or a group of clients to client’s interest;
4. the investment intermediary or that person is doing the same business like the one of the client;

5. the investment intermediary or that person receives or will receive from a person that differs from the client, incentive in relation to the service rendered to the client in the pattern of money or non-money benefits or services.

Article 7. The investment intermediary maintains and regularly updates the register of the investment or supplementary services types or investment activity, being performed by the investment intermediary or on its account, during which occurred – or in the case of service or activity being currently rendered – a conflict of interest could occur that results in risk that is in prejudice of the interests of one or more clients.

Article 8. The register is being created, maintained and updated by person/s nominated by the Managers of the Investment intermediary. The register is being maintained in digital format.

Article 9. The investment intermediary ensures preventing or controlling the information exchange between the particular persons that participate in activities related to the risk of conflict of interests, whereas the exchange of that information could be in prejudice of the interests of one or more clients.

Article 10. The information being exchanged between the various persons within the investment intermediary, as well as the manners of its movement within the investment intermediary are strictly defined and nobody could be provided with that information unless it is objectively required for the performance of its obligations within the investment intermediary.

Article 11. The investment intermediary strictly controls the use and exchange of information, if the latter could be in prejudice of its clients' interests;

Article 12. The investment intermediary creates organizational and technical barriers between the various business departments within the investment intermediary, via which the information flow available to these departments is limited to the degree necessary for the performance of the obligations.

Article 13. The investment intermediary performs outlined supervision of the particular persons whose main functions are related to performing activities on behalf of clients or rendering services to clients whose interests could be in conflict or that are otherwise various interests that could be in conflict, including with the ones of the investment intermediary;

Article 14. The supervision of the particular persons whose main functions are related to performing activities on behalf of clients or to rendering services to clients is performed on current and consistent basis and aims at ensuring they perform the activities assigned to them in the manner that provides the opportunity to prevent, establish and manage conflict of interests.

Article 15. The investment intermediary ensures that there is no direct relation between the remuneration of stakeholders that participate mainly in the performance of a particular activity, and the remuneration of other stakeholders that participate mainly in the performance of other activity, or the revenues that result from them, if conflict of interest could occur in relation to these activities.

Article 16. The investment intermediary ensures that there is no direct relation between the remuneration of the stakeholders that participate mainly in the performance of particular activity and the remuneration of other stakeholders that participate mainly in the

performance of other activity or the revenues created by them, if conflict of interest could occur in relation to these activities.

Article 17. The policies on the remunerations passed by the investment intermediaries are defined in such manner that they do not create conflicts of interest or incentives as a result of which the particular persons under article 2, paragraph 1 of Delegated Regulation (EU) 2017/565, could prefer their own interests or the interests of the Investment intermediary in potential prejudice of one client or another.

Article 18. The investment intermediary undertakes measures for preventing or limiting inappropriate impact being exercised by whatever person on the manner in which the particular person performs investment or supplementary services or activities. These measures for the establishment of clear organizational structure of the investment intermediary and the titles in the individual structural divisions, including clear allocation of the functions and responsibilities in relation to the investment services and activities being performed by the investment intermediary between these divisions and titles, strict description of the relations of coordination and sub-coordination between them, as well as procedures for decision-making in relation to the activity being performed by the investment intermediary.

Article 19. The investment intermediary undertakes suitable organizational measures for preventing or controlling the simultaneous or successive participation of a person in individual investment or supplementary services or activities if this participation could be in prejudice of the due management of the conflict of interest.

Article 20. If despite the implementation of the measures for preventing the conflict of interest, defined in the present Policy, there is still risk for client's interests, the investment intermediary would not perform activity on the account of the client, if it has not informed him or her on the general character and/or the sources of the potential conflicts of interest and the measures undertaken for limiting the risk for client's interests.

Article 21. The investment intermediary ensures that the disclosure before the clients under the previous article is a measure of last resort, only if the effective organizational and administrative mechanisms established by the investment intermediary for preventing or managing its conflicts of interest are not sufficient, in order to ensure with reasonable confidence the risks of injuring client's interests would be prevented.

Article 22. At the time of disclosure it would be explicitly defined that the organizational and administrative mechanisms established by the investment intermediary for preventing or managing this conflict are not sufficient to ensure with reasonable confidence the risks of injuring client's interests would be prevented.

Article 23. The disclosure includes particular description of the conflict of interest brought about when rendering investment and/or supplementary services, bearing in mind client's nature before whom the disclosure is being performed. The description contains sufficiently detailed explanation of the general character and the sources of conflict of interest, as well as the risks to the client, brought about by the conflicts of interest, and the measures undertaken to limit these risks, so that the client could make informed decision on the investment or the additional services, within whose context the conflicts of interest occur.

Article 24. The investment intermediary assesses and performs regular annual review of the present Policy and undertakes the necessary measures for eliminating the possible shortcomings.