



ProChoice

Chrimatistiriaki Ltd



CONFLICTS OF INTEREST POLICY

Table of contents

1	Introduction	2
2	Scope	2
3	Purpose	3
4	Definition of relevant person	3
5	Identification of Conflict of Interest	3
6	Managing Conflict of Interest	5
7	Disclosure requirements	6
8	Chinese walls	7
9	Additional procedures and measures related to the conflict of interests	8
10	Record keeping	10
11	Failure to comply	10
12	Training	11
13	Review	11

1. INTRODUCTION

Prochoice Chrimatistiriaki Ltd (hereafter the “Company or Prochoice”) is an Investment Firm regulated by the Cyprus Securities and Exchange Commission (License No. 100/09). Following the implementation of the Markets in Financial Instruments Directive (MiFID II) in the European Union and its transposition in Cyprus with the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017), as amended from time to time, Prochoice is required to provide its clients and potential clients with its Conflicts of Interest Policy (hereinafter the “Policy”).

Under the above legislation, Prochoice is required to take all reasonable steps to detect and avoid conflicts of interest. Prochoice 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 above legislation when providing investment services and other ancillary services related to such investment services. \

This document sets out the conflicts of interest policy in a format suitable for distribution to clients (if so requested). Prochoice’s conflicts of interest policy is created to be appropriate and in relation to the size and organizational structure of the Company as well as the nature, scale and type of business it undertakes and provides.

We hereby provide the policy we maintain in order to manage conflicts of interest in respect of the duties we owe to our clients.

2. SCOPE

The Conflict-of-Interest Policy (herein the “Policy”) applies to the Company itself and/or any Relevant Person (see below definition) in relation to the Company, during the provision by the Company of the investment services and/or the performance of investment activities under its license.

A Conflict of Interest is a situation, arising in any area of the Company’s business, where the Company or an employee of the Company is in a position to exploit a professional or official capacity in some way benefit the Company, or an employee of the Company, or a client of the Company, whilst potentially damaging the interest of another client of the Company. A Conflict of Interest may arise, between the following parties:

- a) Conflicts between the interest of the Company and the interest of any Client,
- b) Conflicts between the interest of a relevant person and the interest of any Client,
- c) Conflicts between the interest of one or more Clients inter se, and
- d) Conflicts between the interest of the Company or a Client and any third party with which the Company maintains a contractual relationship or other course of dealing.
- e) Conflicts between the interest of the Company or a Client and an issuer with which the Company maintains a contractual relationship in the context of providing the investment service of placing financial instruments without a firm commitment basis.

3. PURPOSE

The purpose of this document is to set out the Firm's approach to identifying and managing conflicts of interest which may arise during the course of its business activities. The Policy applies to all its directors, employees, any persons directly or indirectly linked to the Firm (hereinafter called "related persons") and refers to all interactions with all clients.

Prochoice Chrimatistiriaki Limited takes all reasonable steps to identify conflicts of interest that arise or may arise, in the course of the provision of services(s) to clients between:

- The Company, including managers, employees and appointed representatives;
- Any person directly and/or indirectly linked to the Company; and
- Amongst clients of the Company.

Accordingly, we have adopted a conflicts of interest policy setting out the procedures, practices and controls in place to achieve this.

4. DEFINITION OF A RELEVANT PERSON

A relevant person for the purpose of this Policy, shall have the meaning given to it under Article 2 of the Delegated Regulation (EU) 2017/565, which is defined as:

- a) a member of the Board of Directors, partner or equivalent, manager or tied agent of the Company;
- b) a member of the board of directors, partner or equivalent, or manager of any tied agent of the Company, if applicable;
- c) an employee of the Company or of a tied agent of the Company (if applicable), as well as any other natural person whose services are placed at the disposal and under the control of the Company or a tied agent of the Company (if applicable) who is involved in the provision by the Company of investment services or/and the performance of investment activities;
- d) a natural person who is directly involved in the provision of services to the Company or to its tied agent (if applicable) under an outsourcing arrangement for the purpose of the provision by the Company of investment services or/and the performance of investment activities.

5. IDENTIFICATION OF CONFLICTS OF INTEREST

When the Company offers Investment Services to the Client, the Company, an associate or some other person connected with the Company, may have an interest, relationship or arrangement in relation to the Transaction concerned or that conflicts with the Client's 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 in relation to the transaction concerned or that conflicts with the Client's

interest. In general the Company adheres to a policy that the creation of conflicts of interest must, insofar as is possible, be prevented. This is applied through a combination of control measures that play a role in various aspects of our business operations, such as:

- The 'four eyes' check: (at least) 2 people are involved in all major decisions;
- Separation of duties: tasks that, when combined, could result in a conflict of interest for an employee are divided up and allocated to different employees;
- Clear written instructions to our staff, through which conflicts of interest are, insofar as is possible, prevented. These instructions range from a code of conduct, which prescribes the general rules of conduct, through to operational procedures in the various processes where conflicts of interest could arise (underwriting, claims management, accounting);
- Education and training: our Compliance department regularly provides internal training courses to our staff involving the proper application of the rules of conduct;
- Compliance: our Compliance Officer (a person within the company who independently checks whether we are complying with the law) is involved in the introduction of new rules of conduct that will, insofar as is possible, prevent conflicts of interest from arising, among other things

The following list is an indicative list of circumstances which constitute or may give rise to conflicts of interest between the Company and/or any relevant Person with a client :

- 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 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 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;
- d) the Company's bonus scheme may award its employees based on the trading volume etc.;
- e) the Company may receive or pay inducements to or from third parties due to the referral of new Clients or Clients' trading;
- f) 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;
- g) the Company or a related person has a financial or other incentive to favor the interest of another Client or group of Clients over the interests of the Client;
- h) the Company or a related person carries on the same business as the Client.
- i) the Company may be dealing as principal for the Client or for its own account by selling the financial instrument concerned to the Client or buying it from the Client, or otherwise having a Position in the investment concerned or an associated investment;
- j) the Company may be matching a Client's Transaction with that of another Client by acting on that person's behalf as well as for the Client where the Company acting or seeking to act as principle and/or agent for both parties and/or to receive and/or retain commission(s) or other charges from both parties;

- k) the Company may trade for the Company's own account and/or on behalf of other client(s), having a position in the financial instrument(s) concerned, and/or other related financial instrument(s), and/or otherwise pursue its legitimate business as a broker or dealer in connection with the financial instrument(s) concerned and/or related or other financial instruments involved;

For the purposes of identifying conflict of interest that arise in the course of providing investment and ancillary services or a combination thereof and whose existence may damage the interest of the Client, the Company takes into account, by way of minimum criteria, the question of whether the Company or the relevant person, or a person directly or indirectly linked by control to the Company, is in any of the following situations, whether as a result of providing investment or ancillary services or investment activities or otherwise :

- a) Company and/or any Relevant Person is likely to make a financial gain, or avoid a financial loss, at the expense of the Client;
- b) The Company and/or any 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 and/or any Relevant Person has a financial or other incentive to favor the interest of another Client or group of Clients over the interests of the Client;
- d) The Company and/or any Relevant Person carries on the same business as the Client;
- e) The Company and/or any 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 policy also takes into account any circumstances, of which the firm is or should be aware which may give rise to a conflict of interest arising as a result of the structure and business activities of other members of the group.

6. MANAGING CONFLICTS OF INTEREST

To ensure that Prochoice Chrimatistiriaki Limited manages conflicts of interest effectively, the General Manager together with the Compliance Officer will have overall responsibility to enabling that the Company identifies and manages any conflicts of interest appropriately, effectively and in line with the applicable laws in accordance to the Cyprus Securities and Exchange Commission (CySEC) Rules, Guidance and Regulations.

Prochoice has set up internal policies and has an in-house Compliance Department that is responsible for identifying and managing potential conflicts interests. The Compliance Department will also update the relevant internal procedures and ensure compliance with such procedures. Prochoice maintains and operates effective organizational and administrative procedures to manage the identified conflicts of interest. The Firm also undertakes ongoing monitoring of business activities to ensure that internal controls are appropriate.

If the adoption or the practice of one or more of the measures and procedures the Company currently has in place, does not ensure the requisite degree of independence, the firm must adopt such alternative

or additional measures and procedures as are necessary and appropriate to identify and manage any potential conflicts.

7. DISCLOSURE REQUIREMENTS

7.1 Disclosure to clients

Where the organizational and administrative arrangements made to prevent conflicts of interest affecting the client's interest are not sufficient to ensure, with reasonable confidence, that risks of damage to client's interests will be prevented, the Company shall clearly disclose to the client the general nature and/or sources of conflicts of interest and the steps taken to mitigate those risks before undertaking business on their behalf.

The Company shall disclose to clients the specific conflict of interest and include sufficient detail, taking into account the nature of the client, to enable that client to take an informed decision with respect to the service in the context of which the conflict of interest arises.

The disclosure of conflicts to clients should:

- be viewed as a measure of last resort, which should only be used where the organizational and administrative arrangements established by the Company to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the client will be prevented;
- shall clearly state that the organizational and administrative arrangements established by the Company are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the client will be prevented;
- include specific description of the conflicts of interest that arise in the provision of investment and/or ancillary services, taking into account the nature of the client to whom the disclosure is being made. The description shall explain the general nature and sources of conflicts of interest, as well as the risks to the client that arise as a result of the conflicts of interest and the steps undertaken to mitigate these risks, in sufficient detail to enable that client to take an informed decision with respect to the investment or ancillary service in the context of which the conflicts of interest arise

7.2 Personal Transactions

The Company does not allow its employees to engage in personal investment activity unless such activity has been approved by the Compliance Officer.

The Company also ensures that the employees sign a declaration confirming their compliance with all restrictions imposed by the applicable law in respect of personal transactions and in accordance with the Company's Personal Transactions Policy.

The Company takes all reasonable steps to ensure that all employees are aware of the restrictions imposed in respect of personal transactions, the handling of conflict of interest and "inside" information within the meaning of section 5 of the Insider Dealing and Market Manipulation (Market Abuse) Law, or confidential information relating to clients or transactions with or for clients.

The Compliance Officer is responsible to prevent any personal transaction in accordance with the Company's Personal Transaction Policy

7.3 Disclosure of inducements

To strengthen the protection of Clients and increase clarity to Clients and potential clients as to the service they receive, it is also appropriate to further restrict the possibility for the Company to accept inducements.

The term ‘inducement’ means any fee, commission or non-monetary benefit provided to or received from a third party or a Client in relation to the provision of an investment or ancillary service.

The Company may pay and/or receive fees and/or commissions and/or any non-monetary benefits to and/or from third parties. The Company ensures that it will only accept and/or pay such fees and/or commissions and/or any non-monetary benefits to and/or from any third parties at its own reasonable belief that such benefits will enhance the quality of the offered services to the Client. The Company ensures that such fees and/or commissions and/or non-monetary benefits do not impair the Company’s duty to act in the best interests of its Clients.

In addition to the above mechanisms established by the Company for mitigating conflicts of interest, the Company undertakes to disclose any further details of the above-mentioned arrangements relating to the fees and/or commissions and/or non-monetary benefits prior to the establishment of a Business Relationship with a Client

8. CHINESE WALLS

Chinese walls in the Company refer to the distinct segregation between different units or activities or departments. This is done to block the exchange of information and to preserve the use of confidential information. The ultimate objective of Chinese walls is thus to eliminate the misuse of inside information or non-public proprietary information.

Chinese walls are organizational and technical barriers set up between various areas within the Company, where the confidential information flow is limited to the extent necessary for the performance of the professional duties.

In order to comply with these principles the Company’s personnel is expected to observe the following simple, but yet extremely important rules:

- a) Company employees must refrain from discussing confidential information in public places such as elevators, hallways, restrooms or at social gatherings;
- b) Unauthorized persons and members of staff of other departments are not allowed to enter the premises of the Company or other departments unless accompanied and supervised by relevant members of staff;
- c) Company employees must avoid using speakerphones in areas where unauthorized persons may over hear conversations;
- d) Where appropriate, employees should maintain the confidentiality of the identity of Clients by using code names or numbers for confidential projects;
- e) Employees are expected to exercise care to avoid placing documents containing confidential information in areas where they may be read by unauthorized persons and store such documents

in secure locations when they are not in use;

- f) Employees are expected to destroy (by shredding) copies of confidential documents no longer needed for a project or not otherwise required to be maintained under legislation;
- g) Associated persons engaging in meetings with corporate officers of companies for the purpose of gathering information for research reports or follow up meetings with companies, shall maintain written notes of said meetings;
- h) The Company's records that may contain material non-public information shall be kept in locked drawers and file cabinets. They shall only be removed when needed for working on the deal, and shall be locked up each evening; i
- i) When documents containing non-public material information are to be disposed of, they shall be destroyed by shredding or some other secure manner, which can prevent readable copies from accidentally falling in the hands of non-insiders;
- j) At the end of each working day, all computers and peripherals (computers, printers, etc) are shut down or locked by password;
- k) The Compliance Officer shall ensure check and report to the Board if, to his/her opinion, the executive directors or other hierarchical officers exercise inappropriate influence over the way in which a relevant person carries out the provision of investment and ancillary services. This shall be verified by frequent personal interviews with all Heads of the Departments
- l) The procedures for personal transactions shall be strongly followed. The employees of the Company are prohibited from investing in securities for which they have access to "nonpublic" or confidential information. Transactions by the Company's employees are neither performed nor executed by themselves, but by another member of staff of the Company. Employees are also prohibited to keep investor accounts in other Investing Firms without the Company's prior authorization and are obliged to bring this to Company's attention

9. ADDITIONAL PROCEDURES AND MEASURES RELATED TO THE CONFLICT OF INTERESTS

Compliance function All relevant persons of the Company shall become aware of this Policy and the Compliance Officer shall ensure that the relevant employees will have the ability and knowledge to identify such cases of conflict of interests. Given the nature of the conflict-of-interest situation, the Compliance Officer shall decide whether to allow the transaction by notifying the Client, or not allow the transaction all together

Company's Compliance Officer is monitoring compliance with these measures and therefore the management of Conflicts. Company's Compliance Function keeps and regularly updates a record of conflicts of interest and senior management receives a written report, at least annually, where conflicts of interest have arisen.

The relevant persons of the Company, when faced with a possible conflict of interest situation as indicated in the above, will immediately contact the Compliance Officer and notify him/her of the fact.

The control on the compliance of the internal rules with the legal requirements under MiFID II requirements and Company standards. Apart from prevention of market abuse, one of the main purposes of Compliance function is to identify and manage conflicts of interest. The Compliance

department may use this information when monitoring Personal Account transactions and/or those of an executive's client (particularly discretionary); and may also need the details to respond in a timely manner to any CySEC enquiries.

Brokerage department acts in the best interests of clients and under duty of confidentiality. Disclosure of client's details should be reasonable only in cases based on the law provisions.

Policy for execution of clients' orders, which is important measure for investors' protection, has been adopted in the Company in accordance with the legal requirements.

The disclosure of conflicts of interest will be carried out only in case the Company does not possess other measures to resolve it. The affected client will be provided with information about the conflict of interest, so that the same may take informed decision regarding the investment service in relation to which conflict of interest arises.

The direct connection between the remuneration of the employees engaged with investment services or products and the income, generated from other investment activity or product within the Company is not allowed when conflicts of interest may arise between the both activities.

Remuneration arrangements ensure that a balance is maintained between achievement of trading volume or profitability and quality of performance, adherence to compliance requirements and acting in accordance with the Company's values and behaviors.

This deals with the risk that remuneration policy may encourage staff to take account of their own earnings from a potential transaction rather than the best interests of the client. All staff are aware of their obligations to act in the client's best regardless of personal benefit.

Complaints handling procedures are in place and referred to the Compliance department for monitoring/evaluation and to take an overview or make ruling.

Disclosure statements in letters and contract notes make it clear to clients the scope of service being provided.

The conflicts of interests prevention mechanism includes several organizational and administrative provisions that allow the identification of conflicts of interests.

Organizational or administrative schemes aimed at preserving the degree of independence required for employees, in the performance of their duties, in particular with a view to:

- a. prevent or control the exchange of information within the Company
- b. appropriately organize reporting lines

- c. prevent or limit the exercise by any person of an inappropriate influence on how an employee has to provide a service
- d. prevent or control the simultaneous or consecutive participation of an employee in several distinct services or activities, when such participation could adversely affect the proper management of conflicts of interests.

Remuneration policy particularly processes the following aspects:

- a. transparency: the client is informed about the existence of any remuneration or benefit paid to or received from third parties other than the client. Any remuneration or benefit is acceptable only if its aim is to improve the quality of the service offered and does not adversely affect the obligation to act honestly, fairly and professionally in the best interests of the client
- b. lack of incentives against the interests of clients: employees who are directly or indirectly linked to investment services do not benefit from any remuneration that may cause them to fail to act in the interest of the client.

The employees of the Company are not allowed to request or accept, for themselves or the related parties, payments or other benefits, which may raise reasonable doubt in their objectivity

10. RECORD KEEPING

The Company is required to maintain and update, where applicable, its Conflicts of interest Register which shall include the kinds of investment or ancillary services and/or investment activity carried out by or on behalf of the Company in which a conflict of interest entailing a material risk of damage to the interests of one or more Clients has arisen, or in the case of an ongoing service or activity may arise. Such record is maintained by the Compliance Officer of the Company who ensures that Conflicts of Interest Register is always up to date.

All such cases are also reported to the Senior Management as they arise and to the Board during review of the annual Compliance report. It is the responsibility of the Compliance Officer to prepare and distribute to the Company's Senior Management a written report referring to the record of services or activities giving rise to detrimental conflicts of interest, on an ad-hoc basis and at least annually.

11. FAILURE TO COMPLY

The requirements of employees to comply with Prochoice's policies for managing conflicts of interest as set out above are part of the mandatory internal obligations of all staff. If an employee does not comply with his policy, a format warning will be given. If non-compliance with this policy is identified as a malicious action, a disciplinary procedure will be invoked.

12. TRAINING

All employees will be given training on how to be aware of conflicts of interest and how to report any new or future conflicts.

13. REVIEW

The Policy shall be reviewed by the Compliance Function at least on an annual basis or sooner in response to any change in the legal and regulatory framework affecting this Policy.

The following circumstances can trigger the review process:

- (a) Change in the service and product mix of the Company;
- (b) Identification of situations that are not adequately captured in the Policy;

Any persons which are directly affected by any changes in the provisions of this Policy shall be notified accordingly in writing.

Article 9 of MiFID II Regulation states that the management body of an investment firm defines, oversees and is accountable for the implementation of the governance arrangements that ensure effective and prudent management of the investment firm including the segregation of duties in the investment firm and prevention of conflicts of interest.

The current Conflicts of Interest Policy of the Company was developed in accordance with Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 (MiFID II) and Cyprus Law L. 87(I)/2017 for the provision of investment services.