

**BENCHMARK FINANCE POLICY
FOR PREVENTION AND MANAGEMENT OF CONFLICTS OF INTEREST**

1. General provisions

1.1 The Policy for Prevention and Management of Conflicts of Interest (Policy) has been prepared in accordance with Art. 76 of the Financial Instruments Markets Act (FIMA) and Commission Delegated Regulation 2017/565 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards the organizational requirements and conditions of business of investment firms and for giving definitions for the purposes of that Directive and is part of BenchMark Finance's internal documents.

1.2 This Policy governs:

- The treatment of conflicts of interests in accordance with the size and organizational structure of the investment firm and the nature, scale and complexity of the investment services and activities performed;
- Circumstances that are conflicts of interest or that may rise to conflicts of interest and thus to create risk of harming the interests of a client or clients of the investment firm in relation to any particular service or activity, performed by the investment firm;
- The procedures and measures for treatment of conflicts of interests.

1.3 This Policy applies to the provision of services to all clients of BenchMark Finance, regardless of their categorization as professional clients, non-professional clients or acceptable counterparties.

1.4 This Policy is made available to the clients of BenchMark Finance upon request and is available at any time on the website of the investment firm. With the signing of a contract with BenchMark Finance and the acceptance of the General Terms and Conditions for deals with financial instruments, the client declares that she is familiar with and accepts the application of this Policy. BenchMark Finance may amend and/or supplement this Policy at any time.

1.5 BenchMark Finance creates settings for prevention and detection of conflicts of interests, and when such conflicts arise - settings for fair treatment of clients, disclosure of information and prevention from damaging the clients' interests.

1.6 The heads of the individual units or departments at BenchMark Finance are responsible for identification, prevention and management of conflicts of interests in the units or departments they manage.

1.7 As a preventive measure in regards to the conflict of interest management, the organizational structure should be continuously evaluated and modified accordingly to prevent the occurrence of potential conflicts of interests.

1.8 In order to avoid conflicts of interests, the relevant persons, having working contracts with the investment firm, are required to comply with the following principles:

- **Conflict-free** – the relevant persons, having working contracts with the investment firm, should not be placed on positions where their interests would be in discrepancy to the interests of the client, and if this happens, the client's interest should always be prioritized. This Policy accepts the principle that the best management of conflicts of interest is their full avoidance;
- **Equal and fair treatment and loyalty to the customers** – BenchMark Finance must always act in the best interest of its clients. BenchMark Finance should not be placed in a position where the interest of one of its clients would be in conflict with the obligation of BenchMark toward other clients. The relevant persons having working contracts with the investment firm are obliged to apply for the benefit of the clients all of their professional knowledge and experience, including any publicly available information they have received in relation to the services provided to the clients;
- **Confidentiality** – the relevant persons, having working contracts with the investment firm, have no right to use to their advantage or to the advantage of a third person, confidential information that they have obtained from a client.
- BenchMark Finance and its employees act **honestly, fairly and professionally** in providing investment and additional services in accordance with the best interests of the clients.

2. Identification and general announcement of the potential conflicts of interests and their possible sources

2.1 BenchMark Finance identifies and discloses a number of circumstances that may lead to a conflict of interest and potentially impair the interests of one or more clients. A conflict of interest may arise if BenchMark Finance or a related party, directly or indirectly related to the investment firm, falls into one of the following situations, whether as a result of the provision of investment or ancillary services, or otherwise:

2.1.1 BenchMark Finance or the person concerned may make a financial gain or avoid a financial loss at the expense of the client;

2.1.2 BenchMark Finance or the person concerned is interested in the result of the service provided to the client or the transaction carried out at his own expense, which is different from the client's interest;

2.1.3 BenchMark Finance or the person concerned has financial or other incentive to prefer the interest of another client or group of clients to the interests of one particular client;

2.1.4 BenchMark Finance or the person concerned carries on the same business activity as the client;

2.1.5 BenchMark Finance or the person concerned receives, or will receive, incentive in connection with the service provided to a client in the form of monetary or non-monetary benefits or services.

2.2 BenchMark Finance identifies and specifically identifies the following circumstances that may lead to conflicts of interest when providing investment or ancillary services:

2.2.1 BenchMark Finance may have an interest that conflicts with the interests of customers and the deals they make, e.g. when clients trade in markets where BenchMark Finance acts

as a market maker or when BenchMark Finance wants to invest in the same instruments but does it for its own expense.

2.2.2 When BenchMark Finance acts as a market maker of a financial instrument and manages its own risk by hedging in the same market, this may affect the market price of the financial instrument and the prices at which customers enter into deals. In addition, BenchMark Finance may benefit from its hedging activity, even though customer positions are negatively changing in a downtrend market.

2.2.3 BenchMark Finance, its employees and related legal entities may enter into deals with financial instruments, open new ones, change or close positions in financial instruments for which the broker has published and/or disseminated an investment recommendation, study or advice

2.2.4 For financial instruments created and offered by BenchMark Finance, BenchMark Finance is a counterparty and acts as a creator of the products it offers for trading, which may create a risk of conflict of interest. For these products BenchMark Finance determines the price at which it quotes the offered products. Further information on this conflict of interest can be found in the General Description of the Offered Products and the risks associated with them in the Legal Documents section of the broker's website.

2.2.5 The investment advisers who manage BenchMark Finance's portfolio can trade financial instruments on behalf of clients. It is possible the advisers to know that such trading will also benefit the positions of BenchMark Finance, its employees or related parties in the same instruments.

2.2.6 BenchMark Finance may have an interest in maximizing the trading volumes by its clients in respect to increase its commission income, which is contrary to the client's interest in minimizing transaction costs.

2.2.7 The rewards of the employees of the investment firm (bonus scheme or additional variable remunerations) may be directly dependent on the trading volumes realized by the clients.

2.2.8 BenchMark Finance may receive or pay remuneration to or from a third party to reach new potential clients. The amount of the remuneration may be directly dependent on the commissions received from those new clients.

2.2.9 BenchMark Finance, its employees and related legal entities may have interests in a business that competes with the business of BenchMark Finance customers.

2.2.10 BenchMark Finance may provide advice to clients whose interests may conflict with or compete with those of other clients.

2.2.11 BenchMark Finance may provide investment advice to a client to buy or sell certain financial instruments that another client wishes to sell or buy.

2.2.12 BenchMark Finance or an employee may acquire or enter into a transaction on its own account with financial instruments, the purchase or sale of which BenchMark or the employee recommends to a client, if, from the client's purchase or sale the intermediary or the employee has personal benefit.

2.3 The listing of the identified conflicts of interest is not exhaustive, as in the practice of the investment company may arise other situations that could be qualified as conflicts of interest. Their disclosure will be made in accordance with the rules in this Policy.

3. Registration of conflicts of interest

3.1 BenchMark Finance maintains and regularly updates a register (Attachment No.1, model to this Policy) of the investment services and activities and additional services performed by or on behalf of the investment company in which a conflict of interest has arisen or may arise damaging the interests of one or more customers. The information in the register facilitates the management of conflicts of interest and potential conflicts of interest. The Board of Directors shall receive, on a regular basis (at least once a year), written reports about the cases, specified in this register.

4. Conflict of interest management. Procedures and measures to prevent, detect and manage the conflicts of interests

4.1 BenchMark Finance adopts proportionate and relevant organizational and/or structural preventative measures through which it fairly manages the conflicts of interests. In order to manage potential conflicts of interests, BenchMark Finance maintains a specific organization of activities, processes and procedures as set out below.

4.2 When performing an investment services and activities, as well as additional services, BenchMark Finance takes the necessary measures to identify and prevent or manage conflicts of interest between:

4.2.1 the investment company, including the persons managing the investment company, the employees, the related agents or any persons directly or indirectly related to the investment company, on the one hand, and its clients, on the other hand;

4.2.2 its individual customers.

4.3 BenchMark Finance shall take action under point 4.2 also where conflicts of interest may arise as a result of remuneration received by the investment firm, in case of third party incentives or other incentive mechanisms.

4.4 Where, despite the application of this Policy, there is still a risk to the client's interests, BenchMark Finance shall not engage in any activity at the client's expense when it has not informed the client of the general nature and/or sources of potential conflicts of interest and measures taken to limit the risk to the interests of the client. More information on how to disclose conflicts of interest can be found in Section 5 of this Policy.

4.5 The procedures and measures adopted to manage conflicts of interest, are intended to ensure that the persons involved in the various activities of the intermediary related to the conflict of interest, carry out those activities at a level of independence appropriate to the size and activities of the investment intermediary as well as the risk of damaging the interests of clients.

4.6 For purposes regarding the management of the conflicts of interest, the procedures to be followed and the measures to be adopted shall include, as a minimum, the items in the following list that are necessary for BenchMark Finance to ensure the necessary degree of independence:

a) effective procedures for preventing or controlling the exchange of information between relevant persons engaged in activities involving a conflict of interest risk, where the exchange of this information may harm the interests of one or more clients;

b) separate supervision of relevant persons whose main functions are related to the performing activities on behalf of clients or providing services to clients whose interests may be in conflict or who otherwise represent different interests that may be in conflict, including those of the investment firm;

c) the elimination of any direct link between the remuneration of interested parties principally involved in the pursuit of an activity and the remuneration of other interested parties principally engaged in the pursuit of another activity, or the income generated by them where a conflict of interest may arise as a result of these activities;

d) preventing or restricting the exercise of inappropriate influence by any person on the manner in which the person concerned performs investment or ancillary services or activities;

e) preventing or controlling the simultaneous or consistent participation of an individual in particular investment or ancillary services or activities where such participation may impair the proper management of the conflict of interest.

4.7 In case of a conflict of interest, BenchMark Finance shall take all necessary steps to avoid it in accordance with this Policy. The methods for preventing and managing conflicts of interest include:

4.7.1 Informing the client about the occurrence of a conflict of interest and disclosing its source, nature and possible consequences, in accordance with the client's characteristics and insofar as this is not contrary to law, compliance with the obligation of confidentiality and the principle not to jeopardize the interests of another client. In this case, BenchMark Finance will continue to provide the respective service only after obtaining the explicit consent of the client.

4.7.2 Observance of a policy of independence whereby each department and its staff must act independently as to the interests of the clients concerned. This is achieved by dividing functions between employees and departments.

4.7.3 Option to opt-out when BenchMark Finance is already working with a client and may find it inappropriate to accept starting a business with another client if, at the discretion of the respective head of department and/or CEO, it is determined that BenchMark Finance will not be able to manage the conflict of interest reasonably, or if it is prevented from doing so by legal or regulatory considerations.

4.7.4 All employees are bound by a professional secret and sign a declaration that they will comply with the requirements of the Financial Instruments Markets Act. Confidential information may be shared between employees of different units only if it is essential for the performance of the official's duties.

4.7.5 The employees are obliged to always act with loyalty to BenchMark Finance and its customers, following all BenchMark Finance internal policies and procedures.

4.7.6 The employees are obliged to immediately inform BenchMark Finance of any interests that they or any related legal entities or individuals may have in any BenchMark Finance transactions or with BenchMark Finance clients and which may give rise to a potential conflict of interest.

4.7.7 All employees are bound and abide by the personal transaction rules of the persons working under the BenchMark Finance contract.

4.7.8 When BenchMark Finance offers derivative trading products and determines the price of the product (quotation), BenchMark Finance formulates its quotations by acting objectively, honestly and fairly and guided by the market levels at which the underlying product is traded.

4.7.9 All clients of the investment company must be treated in a transparent and fair manner.

4.7.10 The dissemination of studies or publications by BenchMark Finance to clients, potential clients and other third parties is for informational and educational purposes and BenchMark Finance does not thereby influence the investment decision of a client, potential client or third party.

4.7.11 BenchMark Finance's researches or recommendations, prepared or disseminated, contain information about any material interests or conflicts of interest that BenchMark Finance or its related legal entities or analyst responsible for the publication or recommendation has to do with the related securities or issuer. Employees who have prepared these studies or recommendations should wait at least 24 hours from the time of the publication before they themselves trade with the same securities.

4.7.12 The researches and recommendations prepared are disseminated internally at BenchMark Finance (for internal use) at the same time as they are disseminated to customers. Analysts who have prepared the studies or recommendations should not provide information in advance about the time of publication and the content of forthcoming studies or recommendations to employees who are responsible for trading and/or transacting on behalf of the intermediary or its clients.

4.7.13 Persons engaged in and responsible for trading and/or entering into transactions on behalf of the intermediary or its clients cannot view sections of publications containing recommendations, research summaries, price targets or recommendations for trading volumes and value, even if factual accuracy has been confirmed prior to publication.

4.7.14 BenchMark Finance's additional variable remuneration bonus scheme is a combination of several elements and any elements related to the actual trading and volume of transactions do not affect the bonuses and variable remuneration of the intermediary's employees.

4.7.15 BenchMark Finance monitors internal reporting and the effectiveness of its conflicts of interest policies and procedures.

5. Disclosure of conflicts of interests

5.1 Where, despite the application of the rules on the prevention of conflicts of interest, there remains a risk to the interests of the client, BenchMark Finance does not carry out activities at the client's expense when it has not informed the client of the general nature and/or sources of potential conflicts of interest and those taken measures to limit the risk to the client's interests.

5.2 BenchMark Finance provides sufficiently detailed information on a durable medium to each individual customer to enable him or her to make an informed decision about the service in respect of which the conflict of interest has arisen.

Disclosure of conflicts of interest to clients is a last resort only if the effective organizational and administrative mechanisms established by the investment firm to prevent or manage its conflicts of interest in accordance with Article 23 of Directive 2014/65/ EU are not sufficient to

ensure with reasonable assurance that risks to the detriment of the client's interests will be prevented.

The disclosure shall explicitly state that the organizational and administrative mechanisms put in place by the investment company to prevent or manage this conflict are not sufficient to warrant reasonable assurance that the risks to the client's interests will be prevented. Disclosure shall include a specific description of the conflicts of interests arising from the provision of investment and/or additional services, taking into account the nature of the client to whom the disclosure is made. The description shall contain a sufficiently detailed explanation of the general nature and sources of the conflicts of interests, as well as the risks to the client arising from the conflicts of interests, and the steps taken to limit those risks so that the client can make an informed decision about the investment service in the context of which conflicts of interests arise.

6. Additional provisions

§ 1. "Respondent" in relation to an investment company means any of the following:

- a) a director, partner or equivalent, manager or tied agent of the investment company;
- b) a director, partner or equivalent, or manager of a tied agent of the investment company;
- c) an employee of the investment company or affiliated agent of the investment company, as well as any individual whose services are made available and under the control of the intermediary or tied agent of the investment company and who participates in the provision of investment services and activities by the investment company;
- d) an individual who is directly involved in the provision of services to the investment company or its affiliated agent by virtue of an outsourcing agreement for the purpose of providing investment services and activities by the investment firm;

§ 2. „Person with whom the person concerned is in a family relationship“ means one of the following persons:

- a) the husband/wife of the person concerned or the partner of that person, considered in national law as an equivalent person of the spouse;
- b) dependent child or step-child of the person concerned;
- c) any other relative of the person concerned who shares the same household with that person for at least one year at the date of the personal deal;

§ 3. A "personal deal" is a deal with a financial instrument executed by or on behalf of a relevant person where at least one of the following criteria is met:

- a) the person concerned acts outside the scope of his professional activities;
- b) the deal is made at the expense of one of the following persons:
 - i) the person concerned,
 - ii) any person with whom he or she is in a family relationship or with whom he/she has a close relationship,

iii) a person whose relationship with the person concerned is such that the person concerned has a direct or indirect material interest in the outcome of the deal other than the receipt of a fee or commission for the transaction;

§ 4. "Related persons" are two or more individuals or legal entities connected through:

a) a holding that represents, directly or through control of 20 or more than 20 percent of the voting rights or capital of the company (enterprise);

b) control exercised by a parent company against a subsidiary company under the Accounting Act or similar relationship between an individual or legal entity and a company, with each subsidiary of a subsidiary also considered as a subsidiary of its parent company which is the head of the group of these subsidiaries.

c) the permanent connection of both entities or all of them to the same person through a relationship of control.

§ 5. Terms used in the Policy but not defined in these Supplementary Provisions are used with the meaning given to them in the Financial Instruments Markets Act and European Commission Regulation 2017/565.

7. Final provisions

7.1 The Board of Directors shall regularly and at least annually, by 31 January each year, review and evaluate the compliance of this Policy with the services and activities performed by the investment company, adopting amendments and additions in the event of incompleteness and/or need for improvement of the internal organization. Notwithstanding the requirement of the preceding sentence, the Governing Body shall adopt amendments and supplements to this Policy when deemed necessary.

7.2. This Policy is provided for information and implementation to the members of the Board of Directors of the investment company, as well as to all persons working under contract for it. This policy is also applicable by tied agents appointed by the investment company.

7.3. The Policy for Prevention and Management of Conflicts of Interests was adopted at a meeting of the Board of Directors of BenchMark Finance on May 16, 2018.

Application Nº 1

Register of investment services and activities and the additional services performed by or on behalf of BenchMark Finance in which a conflict of interest has arisen or may occur which leads to the risk of harm to the interests of one or more clients

