



CONFLICTS OF INTEREST POLICY

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Introduction

Omega Funds Investment Ltd, (hereinafter called “Omega”) is an Investment Firm regulated by the Cyprus Securities and Exchange Commission (License No. 102/09). 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, Omega is required to provide its clients and potential clients with its Conflicts of Interest Policy (hereinafter the “Policy”).

Under the above legislation, Omega is required to take all reasonable steps to detect and avoid conflicts of interest. Omega 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.

This document sets out the conflicts of interest policy in a format suitable for distribution to clients (if so requested). Omega’s conflicts of interest policy is created in order 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.

Scope

The Policy applies to all its directors, employees, any persons directly or indirectly linked to Omega (hereinafter called “related persons”) and refers to all interactions with all clients. The Policy is addressed to all Omegas’ Clients. This Policy is not intended to, and does not, create third party rights or duties that would not already exist if the Policy had not been made available, nor does it form part of any contract between the Firm and any client.

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.

Omega Funds Investment 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.

Overview

A ‘conflict of interest’ is a situation where the Company or an employee, or other associate of the Company has competing professional or personal interest, which may prevent services being provided to clients in an independent or impartial manner.

Omega Funds Investment Limited is committed to identifying, monitoring and managing all actual and potential conflicts of interest that can and/or may arise between us and our clients and any person directly or indirectly associated with the Company

We are required to establish, implement and maintain a written Conflicts of Interest policy. This document provides information in relation to the policies we have in place to manage conflicts of interest.

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.

Based on our business model, experience and day-to-day services provided to our Clients, the Company has identified the following circumstances (not exhaustive) which may give rise to a conflict of interest:

- (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 favour 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 act as the Counterparty to the Client using its DOA license, and as such, the Company may act as the buyer when the Client sells and the seller when the Client buys; in the circumstances, therefore, the Company may establish the prices at which it will offer to trade with the Client; such prices offered by the Company might not be the best prices available and the Company may offer different prices to different Clients. Since the Company may act as the buyer or seller in these transaction(s), the Client should carefully evaluate any trading information received by the Company or any of its representatives.

- (j) 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;
- (k) 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;
- (l) 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 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, Omega takes into account, whether Omega or a relevant person, is in any of the following situations, whether as a result of providing investment or ancillary services or investment activities or otherwise:

- (1) Omega or a relevant person is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- (2) Omega or a 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;
- (3) Omega or a relevant person has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
- (4) Omega or a relevant person carries on the same business as the client;
- (5) Omega or a 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.

Managing Conflicts of Interest

To ensure that Omega Funds Investment 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.

Omega 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. Omega 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.

Disclosure of conflicts 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.

The Company shall disclose such conflicts of interests in a durable medium.

Over-reliance on disclosure of conflicts of interest shall be considered a deficiency in the Company's conflicts of interest policy.

Procedures and Controls to Managing Conflicts of Interests

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

- (1) Effective procedures to prevent or control the exchange of information between relevant persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients;
- (2) The separate supervision of relevant 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 Omega;
- (3) The removal of any direct link between the remuneration of relevant persons principally engaged in one activity and the remuneration of, or revenues generated by, different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities;
- (4) Measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out investment or ancillary services or activities;
- (5) Measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest. Such measures include the following:
 - (a) A 'need to know' policy governing the dissemination of confidential or inside information within Omega.
 - (b) Chinese walls restricting the flow of confidential and inside information within Omega, and physical separation of departments. Communication of information and data between the various business units of the Company, whether the Company's officers and/or employees have access to data in the possession of business units to which such access is not permitted. Chinese Walls are erected between the Reception – Transmission & Execution Department (RTE) and the Dealing on Own Account (DOA) Department of Omega, as well as with the rest of the Company's organisational units, so that to prevent the flow of confidential information in a way that which adversely affect the interest of the Clients. Omega's

Compliance Department is responsible for maintaining such Chinese Walls, by means of regular checks and monitoring.

(c) Procedures governing access to electronic data.

(d) Segregation of duties that may give rise to conflicts of interest if carried on by the same individual.

(e) Personal account dealing requirements applicable to relevant persons in relation to their own investments.

(f) A gifts and inducements log registering the solicitation, offer or receipt of certain benefits.

(g) The prohibition of external business interests conflicting with the Omega's interests as far as Omega's officers and employees are concerned, unless Board of Directors approval is provided.

(h) A policy designed to limit the conflict of interest arising from the giving and receiving of inducements.

(i) Establishment of in-house Compliance Department to monitor and report on the above to Omega's Board of Directors. This will also update the relevant internal procedures and ensure compliance with such procedures.

(j) Appointment of Internal auditor to ensure that appropriate systems and controls are maintained and report to Omega's Board of Directors.

(k) Establishment of the four-eyes principle in supervising Omega's activities.

(6) Omega also undertakes ongoing monitoring of business activities to ensure that internal controls are appropriate;

Services or Activities Giving Rise to Detrimental Conflict of Interest

A. Dealing on Own Account (DOA)

DOA is trading against proprietary capital resulting in the conclusion of transactions in one or more MiFID financial instruments; it involves position-taking which includes proprietary trading and positions arising from market-making; it can also include positions arising from client servicing, (for example where a firm acts as a systematic internaliser or executes an order by taking a market or 'unmatched principal' position on its books) and which provide investment services and/or perform investment activities in dealing on own account may capitalise on specific trading strategies and market opportunities so as to optimize returns on own funds. Moreover, it facilitates hedging away interest rate as well as foreign exchange risk for both its proprietary trading and any operational exposure.

Omega Clients are hereby advised that any transactions undertaken through the DOA services of Omega may be of a speculative nature. They may give rise to large losses within a relatively short period of time, which cannot be forecasted and which may sustain a total loss of the funds deposited with Omega. These losses may be attributed to adverse market movements, to position build-up or to the accumulation of commission(s) and charges.

Prohibited Transaction Practices

In order to prevent potential conflicts of interest between Omega and the Clients, the following transaction practices are prohibited:

- a. Investment Services provided to a Client with the purpose of influencing the price of financial instruments for the benefit of Omega or related persons is prohibited, particularly with respect to transactions that Omega or any related person may affect before or after the provision of the said investment services.
- b. Clients' transaction information used by Omega for own benefit and/or the announcement to third persons of such information is prohibited.
- c. The preferential treatment of Omegas' personnel at the expense of its Clients, during the provision of the investment services to a Client is prohibited.
- d. Any transactions affected by Omegas' personnel and/or directors for their own account/benefit or for the account/benefit of persons related to them is prohibited, even on the basis of confidential information which they acquire during the course of their employment with the Company are prohibited.

B. Credits & Loans Department (C&L)

The Credits & Loans Department shall grant margins, credits or loans to investors, to enable them to carry out transactions in one or more Financial Instruments where the Company is involved in the transaction. The Clients shall be granted credits or loans against Financial Instruments held on the Clients' accounts that are considered to be collateral for the credit or loan, as applicable.

Credit is considered to be granted by Omega to the Client from the first day where the order is executed following the signing of the relevant Lending Agreement only and not from the day where the cash settlement of transactions takes place. Funds available are considered the money which are cleared funds to Omega. In cases of granting credits to clients for conducting transactions, the Company will transfer funds, which correspond to the credits and loans granted, to the bank account for clients' money at the same day in which the order is executed and not the day in which the cash settlement of transactions takes place.

Sufficient Procedures are adopted and implemented by Omega for granting credits to clients and/or for conducting transactions and mechanisms for computing, monitoring and controlling, on a daily basis, the following:

- a) the total credits and limits granted to Clients. These limits shall be approved and set by the Risk Manager, as applicable
- b) the existence of available funds from the Company, at the time of the cash settlement of the transactions conducted by Clients for which credit has been granted
- c) the capital adequacy of the Company for which the limits and/or the credits granted to the Clients are taken into consideration.

Prohibited Transaction Practices

In order to prevent potential conflicts of interest between Omega and the Clients, the following transaction practices are prohibited:

- a) The Company will not execute a Client order for a purchase of financial instruments without the necessary funds available in the client account, unless the client was granted credits for conducting these transactions, as applicable.
- b) The Company will not enter into arrangements for securities financing transactions in respect of financial instruments held by it on behalf of a client or otherwise use such financial instruments for its own account or the account of another client of the firm, unless:
 - i. the client has given express prior consent to the use of the financial instruments on specified terms; and
 - ii. the use of that client's financial instruments is restricted to the specified terms to which the client consents.
- c) The Company will not enter into arrangements for securities financing transactions in respect of financial instruments held by it on behalf of a client in an omnibus account held by a third party, or otherwise use financial instruments held in such an account for its own account or for the account of another client unless, in addition to the conditions set out in (b) of this section:
 - i. each client whose financial instruments are held together in an omnibus account has given express prior consent in accordance with (b)(i); or
 - ii. the firm has in place systems and controls which ensure that only financial instruments belonging to clients who have given express prior consent in accordance with the requirements of (b)(i) are used.

Assessment - Resolution - Notification & Record Keeping

The Compliance Officer is responsible for assessing, managing and mitigating all conflicts of interest situations, including but not limited to, assessing the following:

1. Whether the situation represents an actual or potential conflict of interest for either the Client or the Company
2. Whether the situation identified is a perceived conflict for either the Client or the Company and the risk that it may become an actual conflict
3. How the conflict of interest can be appropriately managed and/or mitigated

4. Whether the conflict of interest identified requires immediate notification to Senior Management for further assessment, giving information on the seriousness of the risk and direction on the level of reporting/action required.

Further, the Company takes all the necessary actions to resolve conflicts of interest identified, including, but is not limited to, the management and mitigation of the conflict(s) identified in such a way (i) as to prevent the conflict of interest arising in the future; (ii) as to ensure the interests of the Client, or the Company or the Company's Employee are not permitted to disadvantage or lead to a loss for the Client's and/or the Company's interests; and further (iii) communicate and notify the conflict of interest to the Client(s) in writing so that the Client(s) may decide upon a satisfactory course of action and make an informed decision about whether or not he/she wishes to proceed prior to engaging to a business relationship with the Company (new Client) and/or proceed with further services provided by the Company (existing Client).

Finally, the Compliance Department maintains a Conflicts of Interest Register of all circumstances in which a conflict of interest has been identified and/or arisen, containing the measures taken to mitigate or manage the conflict of interest identified and/or arisen, a description of the circumstances which constituted or may have constituted a conflict of interest, names of the persons involved, the name of the person responsible for the mitigation of the conflict, a description of the steps taken in order to mitigate the conflict - including client disclosures and subsequent resolutions. The Conflicts of Interest Register is updated any time a conflict of interest has been identified and/or arisen or may have arisen and at least on annual basis. Furthermore, the Company's senior management should receive on a frequent basis, and at least annually, written reports on situations where kinds of investment or ancillary service or investment activity carried out by or on behalf of the Firm in which a conflict of interest entailing a 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. It is kept for the durations of the business relationship with the Client and for a minimum of five years after the conclusion of such business relationship.

Employees Understanding

All of our employees are made aware of this policy to highlight and emphasize the importance of identifying and managing conflicts of interest.

All employees are required to adhere to the Company's Conflict of Interest Policy which requires employees to notify Compliance of all situations whereby an employee becomes aware of conflicting and/or inside dealing information. Employees are also required to notify Compliance of any situation where information received might constitute conflicting and/or inside information. The Compliance Department will record the circumstances of the situation and take such action as is necessary and appropriate informing also Senior Management of the Company.

Employees must never permit their personal interest to conflict with, or to appear to conflict with, the interests of the Company. When faced with a situation involving a potential conflict of interest, ask yourself whether public disclosure of the matter could embarrass Omega Funds Investment Limited or you, or would lead an outside observer to believe a conflict of interest, including those in which you may have been placed inadvertently due to either business or personal relationship with customers, suppliers, business associates, or competitors of Omega Funds Investment Limited, or with other Omega Funds Investment Limited employees.

Omega reserves the right to amend its policies at any time by making them public on its website. The client consents and agrees that the latest versions of any of the Documentation and/or Policies published on Omega's official website www.omegainvest.com.cy shall prevail.

Acceptance Declaration by the Client

WE hereby expressly consent to, acknowledge and accept this Conflict of Interest Policy as this is published within the official website of Omega and WE represent, warrant and undertake to consent and acknowledge any subsequent changes to this Policy thereof, as this may be amended from time to time by Omega in accordance with applicable legislation and published within the official website of Omega at www.omegainvest.com.cy.

(Full name of Client)

(Full Name of Authorised Person & Signature)

(Company Seal)

(place, date and time)

Disclosure

Where a conflict arises and Omega is aware of it, it will disclose the conflict to the client prior to undertaking investment business for that client or, if it does not believe that disclosure is appropriate to manage the conflict, Omega may choose not to proceed with the transaction or matter giving rise to the conflict.

Omega reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate.

Additional information and/or clarifications in relation to this policy and/or this document is available upon explicit written request.

Should a Client and/or prospective client has further questions in relation to conflicts of interest he/she may direct his/her questions to Omega Compliance Department via e-mail at: compliance@omegainvest.com.cy

Review of this Policy

This Policy will be reviewed and/or amended at least annually and/or as and when deemed and/or considered necessary by the Board of Directors and the Compliance Officer of Omega.