

# Conflict of Interest Policy – Ballinger Markets Ltd

## 1 PURPOSE

This Policy aims to take all reasonable measures to identify and adequately manage conflicts of interest. The Policy also safeguards the Company, its customers, and all other stakeholders' interest from any potential conflicts of interest, resulting in increased operational and reputational risks.

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## 2 SCOPE

This Policy sets out the Company's procedure when identifying and managing conflicts of interest. To this effect, this Policy seeks to:

- Identify circumstances, or potential circumstances, which may give rise to conflicts of interest which entails a potential risk of damage to the interest of one or more Clients, and where possible seek to prevent conflicts of interest from occurring;
- Establish appropriate measures and controls to manage those conflicts of interest which cannot be mitigated; and
- Maintain procedures to ensure that all instances of conflicts of interests are being monitored.

This Policy is to be communicated to the Company's Relevant Persons.

## 3 LEGAL BACKGROUND

Formal documents underlying this Policy include the following:

- MFSA's Conduct of Business Rulebook
- MFSA's Part BI: Rules applicable to Investment Services Licence Holders which qualify as MIFID Firms

## 4 DEFINITIONS

For this Policy, the following definitions shall apply:

Company	Shall mean: Ballinger Markets Ltd – C 103976
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Conflict of Interest	<p>A conflict of interest is when someone in a position of trust has competing professional or personal interests. Such competing interests can make it difficult to fulfil his or her duties impartially. A conflict of interest may exist even if no unethical or improper act results from it.</p> <p>A conflict of interest under this Policy includes both an actual Conflict of Interest (i.e. a Conflict of Interest that has arisen) and a potential Conflict of Interest (i.e. a conflict of interest that may arise given particular facts and circumstances). It also includes a perceived Conflict of Interest (i.e., a situation which may give rise to the perception of a Conflict of Interest), even where a Conflict of Interest may not exist.</p> <p>A non-exhaustive list of common types of conflicts of interest can be found in Annex I.</p>
Customer/Client	<p>This means any of the following:</p> <ul style="list-style-type: none"> <li>• An existing customer of the Company;</li> <li>• A potential customer of the Company (where the Company is seeking to enter into a relationship with the potential customer in respect of services); or</li> <li>• A past customer where commitments and obligations are still in place</li> </ul>
Employee	Shall mean permanent, fixed term, temporary staff, third-party representatives or sub-contractors, agency workers, volunteers, interns and agents engaged with the Company in Malta or overseas.
Interested person	Shall include any person who can exercise influence over the business. Such shall include directors, managers and employees.
Outside business interests	It may include but is not necessarily limited to shares, other ownership rights and memberships, financial holdings and other economic interests in commercial customers.
Relevant Persons	Shall include any person or entity directly involved in the provision of service placed at the Company's disposal, under the Company's control, or through an outsourcing agreement.

## 5 RESPONSIBILITIES

The Board of Directors is responsible for establishing, approving, overseeing the implementation and maintenance of effective policies and procedures to identify, assess, manage and mitigate or prevent actual or potential conflicts between the Company's interests and employees' private interests.

All Employees are responsible for identifying, preventing and managing conflicts of interest in their responsibilities by adhering to this Policy. All Employees are expected to adhere to the highest levels of ethics at all times and ensure that the slightest hint of a potential conflict of interest is invariably and immediately brought to the attention of the respective management.

## 6 IDENTIFICATION OF CONFLICT OF INTEREST

The existence of any of the following conditions shall be treated as a conflict of interest:

- A conflict between the interests of the company or any of its staff members, or any person directly or indirectly linked by control to the company, and the interests of the client in relation to which the company owes an obligation to such client;
- A conflict between the different functions and departments of the company;
- conflicts between the company and its employees or agents; and,

- A conflict between the interests of two or more clients, in the course of providing separate investment services or ancillary services to each of them.

Conflicts of interest include situations whereby the Company, its Relevant Persons or any person directly or indirectly linked to it by control, is in any of the following situations:

- is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- 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;
- has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
- carries on the same business as the client;
- 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.

All Company staff must additionally take into account whether any client or group of clients described above is likely to make a financial gain, or avoid a financial loss, at the expense of another client or group of clients of the Company.

## 7 REPORTING CONFLICTS OF INTEREST

It is the duty of all staff members to disclose any actual or potential personal conflict of interest which might arise when carrying out their tasks for the company. A disclosure should be made in writing to the Compliance Officer as soon as these are identified.

It is the responsibility of each and every employee to familiarize themselves with this policy and to immediately disclose any actual or potential non-personal conflict of interest. Such disclosure should be made in writing to the Compliance Officer. This conflict of interest will then be recorded on the register and reported to the risk and compliance committee.

In any situation where a member of the staff is uncertain as to whether a particular situation may give rise to a conflict of interest, advice shall be sought from the Compliance Officer. Furthermore, a confidential record of all disclosures made shall be maintained by the Compliance Officer. Members of staff shall be required to provide updated information on request.

Disclosure of conflict of interest is to be made as a last resort after exhausting all means and measures to offset the impact of detriment on the client.

The Company maintains an up to date Register of Conflicts of Interest in which to record any identified conflicts of interest that have arisen, or which may arise, leading to a material risk of damage to the interest of one or more clients, resulting from services or activities carried out by or on behalf of the Company.

## 8 MANAGEMENT OF CONFLICT OF INTEREST AND SEGREGATION OF FUNCTIONS

The Company is required to maintain and operate effective, organisational and administrative arrangements with a view to taking all reasonable steps to prevent conflicts of interest from constituting or giving rise to a material risk or damage to the interests of our clients. The Company has implemented various systems and procedures so as to minimise the potential causes of conflicts of interest, wherever possible avoid material conflicts of interest, and to manage all conflicts of interest arising, including the following.

The Company ensures that functions, as necessary and when possible, given the size, nature and complexity of the business, are kept segregated.

The Company's Control Functions are kept functionally and hierarchically separate from the Company's operations, including the Company's investment advisory function. This ensures that the Control Functions are not overseeing operations they are involved in and are also compensated independently of the performance of the operations of the Company and in line

## 9 GIFTS AND INDUCEMENTS

Employees may occasionally give gifts or receive them from customers, companies or other institutions to recognise the services provided. Employees must ensure that these gifts are not excessive and do not create an obligation or debt. A token of appreciation may be accepted if not perceived as an inducement for preferential treatment for services rendered.

Entertainment or hospitality provided by a member of staff must fall within predetermined maximum cost limits and should not in any event create any conflict of interest. Entertainment or hospitality accepted by an employee should be appropriate and the acceptance of such entertainment/hospitality should not create any conflict of interest.

Employees are required to register with the Compliance Department details of gifts, entertainment or hospitality, whether given or received with an estimated value in excess of €250 and to seek guidance if in doubt about the suitability of the gift.

## 10 DELEGATION/OUTSOURCING

Where the Company decides to delegate a key function to a Relevant Person, it shall assess the situation to determine whether the delegation conflicts with the interests of its customers or otherwise in terms of this document.

The Company shall ensure that the Relevant Person takes all reasonable steps to identify, manage and monitor potential conflicts of interest that may arise between itself and the customers. The Company shall also ensure that the Relevant Person has procedures corresponding to those required by the Company.

## 11 PERSONAL ACCOUNT DEALING

All Company staff are bound by the requirements of the Company's Personal Account Dealing Notice which has been established to ensure that personal account dealing by members of staff comply with the MFSA rules. Under the Personal Account Dealing Notice, staff can only undertake personal investment activities with first prior written general permission to do so, and:

- i. do not breach applicable law or regulation;
- ii. do not unduly distract from their employment responsibilities, and

iii. do not create an unacceptable risk to the Company's reputation.

Transactions should also be free from business and ethical conflicts of interest. Staff must never misuse proprietary or client confidential information in their personal dealings and must ensure that clients are never disadvantaged as a result of their dealings. All transactions undertaken by staff must be reported to, and are actively monitored by,

## **12 TRAINING AND MONITORING**

The Company insists that in its dealings with Customers, its employees must always use the highest standard of integrity in their actions. Accordingly, the induction, ongoing training and monitoring are designed to ensure that all relevant staff is familiar with and observe, inter alia, all applicable rules and procedures about the provision of the service.

Employees must sign the 'Conflict of Interest Policy Acknowledgement Form' to confirm that they know their obligations. Such form must be sent to the Compliance Officer.

## **13 REVIEW OF POLICY DOCUMENT**

Through its Board of Directors, the Company undertakes to review its position as set out in this document at least annually.

The Compliance Officer shall ensure that the Board of Directors is presented with a written report (at least annually) on conflict of interest.