

# FIIG INTERNATIONAL LIMITED

## Investment Services licence number IS/83178

### TERMS OF BUSINESS

April 2018

#### General

- These Terms of Business (these “**Terms**”) together with your completed and signed Client Fact Find (the “**CFF**” and collectively with these Terms, the “**Agreement**”) govern the legal relationship between you (the “**Client**”) and FIIG International Limited (the “**Company**”) in respect of the services the Company provides to the Client.
- The Client should read these Terms, and any document referred to herein, very carefully. If there is anything that the Client does not understand, the Client should discuss this matter with his/ her contact within the Company and seek the necessary clarification.
- The registered office of the Company is situated at 171, Old Bakery Street, Valletta VLT 1455 Malta, whereas the Company’s business office is located at Dixcart House, 2, Sir Augustus Bartolo Street, Ta’ Xbiex XBX1091, Malta. The Company may be contacted on (+356) 2784 9000 or [Peter.Sorensen@fiig.com](mailto:Peter.Sorensen@fiig.com). Website: [www.fiig.com](http://www.fiig.com)
- The Company may communicate with the Client by electronic mail, or other electronic means, unless otherwise instructed by the Client. Documents sent by electronic mail (whether or not containing confidential information) will be encrypted in line with the Company’s encryption standards and protocols.
- The Company reserves the right to monitor and/ or access any or all electronic mail / correspondence sent to it.
- Any communication between the Company and Clients will be made in the English language. In the event of discrepancy between the Agreement and any communication with the Clients, the Agreement will prevail.
- This Agreement covers the provision of the following services by the Company:
  - Placement of Instruments without a Firm Commitment Basis; and
  - Reception and Transmission of Orders(each a “**Service**” and collectively referred to as the “**Services**”).
- These Terms contain important information regarding:
  - the way in which the Company will provide the Services to the Client; and
  - the Client’s legal position in regards to the Services.
- The Company will provide the Client with a copy of these Terms and the most recent CFF upon request. A copy of the Terms is also available on the Company website at [www.fiig.com](http://www.fiig.com).
- This Agreement should be kept by the Client for record purposes, for the duration of the relationship

between the Company and the Client.

- The Terms may be amended at any time at the Company's sole discretion from time to time. Upon amendment, an updated copy of the Terms will be distributed to the Clients and published on the Company website at [www.fiiq.com](http://www.fiiq.com). The Client may at any time, after an amendment to the Terms, cease its relationship and the Services with the Company however the Client understands and acknowledges that by continuing its relationship with and acceptance of the Services from the Company, the Client consents to the amended Terms.

### **Representations and Warranties**

- The Client represents and warrants to the Company that:
  - the Client has authority to enter into the Agreement;
  - any information which the Client has provided or may provide to the Company is complete, up-to date and correct in all respects;
  - in the event that any of the information supplied by the Client ceases to remain complete, up-to date and correct in any respect, the Client shall provide the Company with such revised and updated information without delay;
  - the Client is an Eligible Counterparty or Professional Client pursuant to the Rules (as defined below); and
  - the Client is the beneficial owner (or if the Client is a trustee, the legal owner) of any investment and cash subject to these Terms and will indemnify the Company against all claims or demands made by any person in relation thereto.
- By agreeing to these Terms, the Client is authorising the Company to receive and transmit orders for execution by third parties. The Client understands that the Company and such third parties may be required to deduct or withhold any sum, under the law or practice of any revenue authority in any relevant jurisdiction.
- The Client represents and warrants that any currency which forms the subject of the Agreement is money which has lawfully been invested out of Malta and that any necessary authorisations in this respect have been obtained and may be presented to the Company upon reasonable request.

### **Regulation**

- The Company is regulated by the Malta Financial Services Authority (the "MFSA").
- The Company is licensed by the MFSA under the Investment Services Act (Chapter 370, Laws of Malta) and holds a Category 1B Investment Services Licence. The Company provides investment services in accordance with its licence.
- The Company will provide the Services in accordance with applicable laws, directives, regulations, implementing measures, bye-laws, licence conditions, guidelines, exchange requirements, customs, usages and other provisions or market practices (the "Rules") to which the Company may be subject from time to time.
- If any conflict arises between these Terms and the Rules, the latter shall prevail.
- The Company may provide other services to Clients which are not regulated and do not require a licence by the MFSA.

### **Client Categorisation**

- In terms of the Rules, clients are to be categorised as:

- Retail Clients
  - Professional Clients
  - Eligible Counterparties.
- The Company may, in terms of its Investment Services Licence provide investment services only to:
    - Professional Clients (either per se professional clients or elective professional clients); and
    - Eligible Counterparties.
  - The level of protection offered and due to each Client depends on the category assigned to each Client. Different levels of regulatory protection are afforded to Clients within each category. Professional Clients and Eligible Counterparties are considered experienced, knowledgeable and able to assess their own risk, and are afforded a lower degree of regulatory protection in comparison to other types of clients. The Client's categorisation will be identified in the CFF. Should the Client classification change, the Company will inform the Client accordingly, in writing via electronic means.
  - Subject to the applicable Rules, the Client may, in writing, also request the Company change the category which it has been classified. This change may have an effect on the level of protection afforded to the Client. The Company reserves the right to accept or refuse any such request for change in classification.
  - The Company shall not and will not provide the Services to clients that are categorised as Retail Client.
  - The Client agrees to advise the Company in writing of any material changes in the information provided to the Company which may affect the Client categorisation or advice given to the Client in this respect.
  - The Company may bring about or enter into transactions with Eligible Counterparties in respect of one or more Services without being obliged to comply with obligations under the Rules and, in this respect, these Terms shall apply accordingly.

## **Type of Services**

### Reception and Transmission of Orders / Placement of Instruments without a Firm Commitment Basis

- The Company may, as applicable: (i) receive orders from the Client and transmit the orders to a third party for execution; and (ii) market to its Client newly-issued securities or securities which are already in issue but not listed. The Company shall not give any investment advice as to the suitability of the investment. The Company shall be under no duty to monitor, review or advise the Client on any investment made. The Company shall, however, keep records of the transactions made and the Company shall inform the Client in accordance with the Rules on the transactions executed on the Client's behalf.
- The Company shall provide or arrange a third party to provide reports to the Client as set out in these Terms and in accordance with the Rules. .
- The Client understands and agrees that the party to which the order is transmitted for execution is not authorised and regulated in terms of the Investment Services Act (Chapter 370 of the Laws of Malta). Furthermore, the Client understands that the execution venue may not be a European licence holder. Therefore the terms regulating the execution of the order will not be subject to the laws of Malta, and the Client may have difficulty in enforcing a judgement against the execution venue. Reference should be made to the summary of the Best Execution Policy of the Company as set out in these Terms of Business, for details of the execution venue.

## **Client Profile**

### Appropriateness Test

- The Company may only provide the Services to Professional Clients and Eligible Counterparties. In terms of the Rules, the Company is entitled to and does assume that a Professional Client / Eligible Counterparty has the necessary experience and knowledge in order to understand the risks involved in relation to the Services or transactions, or types of transaction or product, for which the Client is classified as a Professional Client / Eligible Client.
- The Client therefore acknowledges that the Company will not be carrying out an appropriateness test prior to the provision of the Services to Professional Clients and Eligible Counterparties.

### **Transactions and Instructions**

- The Company shall exercise due care and diligence in the discharge of its duties and shall carry out its duties in accordance with applicable laws, regulations, bye-laws, licence conditions, guidelines, exchange requirements, customs, usages and other provisions or market practices to which the Company may be subject from time to time.
- Both the Client and Company acknowledge and agree that the Company may not and shall not receive or hold client money or assets at any time.
- The Client agrees to give instructions to the Company to undertake transactions in writing including via email or other electronic means.
- In giving written instructions, the Client is authorising the Company to draw up an order confirmation form based on the transaction communicated to the Company. The Company will not assume liability for any errors if the Client fails to provide written instructions via electronic mail or other written electronic means.
- The Company shall be indemnified by the Client against all actions, proceedings or claims which may be incurred or sustained from the execution of the order/s taken over the telephone irrespective of the whether the official confirmation order relevant to that transaction was signed or otherwise acknowledged or confirmed by the Client, to the Company.
- The Company shall send the Client, or shall ensure that a third party executing a trade, sends a contract note or confirmation in respect of each trade effected on behalf of the Client in accordance with the Rules. . The Client understands it is their sole responsibility to review each contract note or confirmation received, and notify the Company of any errors, omissions or objections in a timely manner and prior to settlement.
- The Client agrees that payments made for any transactions are to be settled with the execution venue, within the period stipulated in the contract note or relevant documentation. Any failure to meet these obligations within the allowed time frame shall not be borne as a liability by the Company.
- The Client has the right to request the documentation, reports and records from the Company relating to the Client's transactions. These records shall be retained for a period of at least seven (7) years.
- The Company may combine, for transmission to a third party for execution, the Client's order(s) with order(s) of other Client(s) provided that such aggregation does not operate to the disadvantage of the Client.
- The Company is legally obliged to retain records of face to face communication, recordings of phone conversations with Clients and electronic communications (e.g. email, chat, video conferencing or, messenger service) in connection with initiation/acceptance and transmission of Client orders in writing or on sound and data carriers, as applicable, and to store these recordings. This applies regardless of whether these are conducted via the business or private phones of employees. The Client therefore agrees that the Company will be recording face to face communication, telephone

conservations or electronic communications between the Client and Company which result or may result in transactions. These records shall be provided to the Client upon request and shall be kept for a period of five (5) years and, where requested by the MFSA, for a period of up to seven (7) years. The period of time for the retention of a record shall begin on the date when the record is created. The Client is therefore hereby informed that all conversations will be recorded and the Client hereby grants its general consent to such recording of conversations.

- Orders placed by Clients during face to face meetings held with the Company, shall be recorded using written minutes or notes. The Client understands and agrees that such orders are equivalent to orders received by telephone.
- The Company is also entitled, but not obliged under the law, to record conversations, in writing or on sound and data carriers in connection with implementation of the Client relationship, which do not have any reference to the Services, and to store these recordings. This includes phone conversations about complaints. Recording shall take place for verification purposes.
- The recordings can be read or listened to by employees of the Company. The Company is entitled, but not obliged, to take minutes of the recordings. The recordings can be used for evidence purposes in any legal disputes. When granting a proxy, the Client shall inform authorised representatives that conversations can be recorded.
- The Company shall not incur any liability whatsoever by reason of acting on any such client instructions or for any error in such client instructions and the Client shall indemnify and hold harmless the Company from any loss, cost, damage or expense it may suffer or incur by relying on such client instructions, whether received by letter, telephone or other electronic transmission (including electronic mail) or in such other manner as the Company may determine from time to time, and which the Company, in its absolute discretion, has reason to believe to be genuine.
- The Client understands that the Company shall not be held liable as a result of any change in market conditions between the date of the Client's instructions and the execution thereof by the third party to which the Company transmitted the order.

### **Best Execution Policy**

- Subject to any specific instructions which may be given by the Client, when placing or transmitting orders on the Client's behalf, the Company will take all sufficient steps to obtain the best possible result for its Client which shall be determined in terms of total consideration (represented by the price of the financial instrument and the costs related to the execution of the transaction).
- Other best execution factors such as speed, the likelihood of execution and settlement, size, nature or any other consideration relevant to the execution, placement or transmission of the order may also be applied by the Company but only in so far as they are relevant to provide the Client with the best result in terms of total consideration.
- A summary of the Company's Best Execution Policy is enclosed as Annexure 1 to these Terms. By agreeing to these Terms, the Client consents to the Best Execution Policy of the Company.

### **Reporting to Clients**

- The Company shall provide to the Client, in writing, as soon as possible after the execution of the order but no later than the first business day following the execution of the order, or from receipt by the Company from a third party of confirmation of the execution of that order – a notice confirming the execution of an order and containing essential information in relation to that order. .
- The Client understands its obligations and responsibilities to promptly examine all contract notes,

statements, valuations and other documentation received from the Company or from third party with which the order is executed, and each entry and balance recorded therein and to notify the Company of any errors, omissions or objections to any information contained in such documentation, in a timely manner and prior to the agreed settlement date.

- Clients will be provided, in accordance with the Rules, to the extent applicable and unless otherwise agreed with the Client, with: (i) information on all costs and associated charges, including charges related to the Services and the costs of financial instruments; (ii) the method of payment and (iii) details of any third party-payments (as set out in further detail below).
- As far as possible, all costs and charges which are to be disclosed to the Client, will be aggregated so the Client is in a position to understand the overall cost and the cumulative effect on the return of the investment. Information about costs and charges as aforesaid will be provided to the Client, as applicable, at least on annual basis post-sale in a separate tariff sheet (the "**Tariff Sheet**").
- The Tariff Sheet will also set out, if any, the fees, commissions and non-monetary benefits which the Company is entitled to receive, in accordance with the Rules, from third parties to enhance the quality of the Services.
- In relation to reporting and information to be provided to Eligible Counterparties, the Rules provide that Eligible Counterparties may 'opt-out' of receiving certain disclosures in different circumstances. In addition, the Company may agree with Eligible Counterparties different standards for the content and timing of reports/ statements than those required for Professional Clients.

#### **Joint Accounts**

- If the Client's account is held jointly by more than one person then the obligations of each of the joint account holders, under the Agreement shall be joint and several.
- Unless the Company receives notice in writing to the contrary from any one of such joint account holders the Company is hereby authorised to communicate with and act on client instructions of, any one of the joint account holders and the Company shall have authority to act on any such client instructions, without notice to any one or more of the other joint account holders.
- Unless otherwise instructed by the Client, the Company is hereby authorised to send notices, confirmations, statements and communications of any kind to any one of the joint account holders and service of any demand, notice, confirmation, statement or any other communication of any kind shall be deemed to have been duly served on all joint account holders if served on any one joint account holder to the most recent address as appears on the records of the Company.
- In the event of the death of one of the joint account holders, the surviving joint account holders agree to immediately provide the Company with written notice thereof. The death of any joint account holder will affect the rights and obligations of the surviving joint account holders. The Company is authorised, prior to or after receipt of written notice of the death of one of the joint account holders, to take such steps or require such documentation or restrict trades or transactions relating to the joint account as the Company may deem prudent or advisable, at its absolute discretion.
- The estate of any deceased joint account holder shall jointly and severally continue to be liable to the Company jointly and severally for any indebtedness or other liabilities in connection with the joint account.

#### **Conflicts of Interest**

- The Company has a Managing Conflicts of Interest Policy which sets out the effective organisational and administrative arrangements that have been put in place to identify, prevent, manage and monitor

conflicts of interest that entail a material potential risk of damage to the interests of the Company and its Clients. The Company takes all appropriate steps to prevent conflicts of interest from constituting or giving rise to a material risk of damage to the interests of the Company and its Client.

- It is understood that the Company or any director, officer or employee thereof may have an interest, relationship or arrangement that is material in relation to any trade transmitted on behalf of the Client and it is hereby agreed that any person so interested shall be entitled to retain any benefit or profit received and shall not be liable to account therefore to the Client by reason only of such conflict. The Company declares that it has in place adequate internal procedures to ensure that the Client is in all cases treated fairly and that risks of damage to Client interests will be prevented.
- The Company undertakes to bring to the Client's attention the conflicts of interest referred above and any other conflicts of interest which may arise with regards to products promoted by the Company or the Services provided by its related companies. In the provision of its services, the Company will seek to ensure that it always acts in the Client's best interests, unless specific instructions are received from the Client.
- The Company shall take the appropriate organizational measures to avoid conflicts of interest. When such measures are insufficient to exclude the occurrence of possible conflicts of interest, the Company must, as a last resort, inform the Client.
- A summary of the Company's Managing Conflicts of Interest Policy is enclosed as Annexure 2 to these Terms and a full version of the Policy is available on the Company website at [www.fiig.com](http://www.fiig.com). By agreeing to these Terms, the Client consents to the Managing Conflicts of Interest Policy of the Company, as may be amended from time to time without prior notice to Clients.

#### **Prevention of Money Laundering - Client Identification and Source of Funds**

- The Company is subject to the Prevention of Money Laundering laws and regulations in force in Malta. The obligations under the laws and regulations include *inter alia* the identification and verification of clients and the ultimate beneficial owners (where applicable), the retention of the relevant identification and verification documentation and transaction documentation and the reporting of transactions suspected of involving money laundering and funding of terrorism to the Financial Intelligence Analysis Unit in Malta. In this regard, the Company has established appropriate internal procedures to fulfil these obligations which it monitors on a regular basis.
- The Client is required to produce satisfactory evidence of identity and the source of funds to be invested and will be required to provide the Company with documents as part of the evidence being produced.
- The Client represents and warrants that the monies and investments which form the subject of the Agreement and any future additions thereto have not originated and will not originate from activities or transactions which are a criminal offence in Malta or which, if carried out in Malta, would constitute such an offence or comprise property the receipt ownership or control of which would be such an offence.

#### **Risks**

##### Investment Risks

- The price of all investments can go up as well as down and an investor may not get back the amount invested and selling an investment in an inopportune moment may result in a loss.
- Past performance is not indicative of future performance. Investment markets are volatile in nature and it is important that any investment is viewed as long term in nature.



#### Currency Risk

- An investment may have a base currency other than the Clients' base currency and thus carries with it an element of currency risk which can affect the value of any investment and the income generated therefrom positively or negatively, including interest or dividend payments. In addition upon the sale or maturity of the Client's investment, the realisable value might be less than the initial outlay when exchanged in the Clients' domestic currency.

#### Credit Risk

- An issuer of a debt instrument such as a bond may be unable to meet interest and/ or principal payments in the future and consequently default on its principal or interest repayments. The longer the term to repayment of principal (maturity), the greater the credit risk.

#### Interest Rate Risk

- The market value of a bond or other debt instrument may go up or down as a result of a variation in the interest rates.

#### Political Risk

- The value of the Client's assets may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries to which the asset is exposed.

#### Other Risks

- Investments in certain assets may be subject to specific risks which may or may not effect a particular investment. These risks may include liquidity risk, country risk, political risk and counterparty risk. The exposure to these risks may change over the course of the investment period, and may affect the value of the Client's investment.
- The Client acknowledges that the risks involved and related to an investment are various and the risks referred to in these Terms constitute a non-exhaustive list.
- The Client declares that he/ she has been provided with sufficient appropriate information to understand the nature and risk of the services being offered pursuant to these Terms.

#### **Tax**

- The Client acknowledges that it is entirely the responsibility of the Client to inform himself/ herself as to any taxation which affects him/ her personally. These Terms or any other communication from the Company to the Client does not constitute and should not be considered as legal or tax advice. The Client is urged to seek professional advice in relation to both Maltese and any foreign tax legislation applicable to any transaction relating to these Terms. The Company shall not be liable for any loss or damage incurred in connection with any tax consequences to the Client.

#### **Complaints**

In the circumstance were a complaint arises, the Client or a potential client shall inform the Company by visiting the office of the Company or in writing to the attention of "The Compliance Officer, FIIG International Limited, Dixcart House, 2, Sir Augustus Bartolo Street, Ta' Xbiex XBX1091, Malta." The Compliance Officer of the Company is responsible for the complaints management function and shall deal with Client's complaints reasonably, promptly, without charge and in accordance with the Company's complaint handling policy and procedures. The details of the complaint handling process shall be made available on a durable medium and on the Company website at [www.fiiig.com](http://www.fiiig.com).



### **Liability and Indemnity**

- Subject to the applicable laws and save where otherwise indicated in these Terms, the Company shall not be liable to the Client for any loss or damage incurred in connection with the subject matter of these Terms howsoever caused unless the Company's conduct constituted fraud, wilful misconduct or gross negligence on its part or on the part of its agents, including the unjustifiable failure to perform in whole or in part its obligations (the "**Company's Wrongful Acts**").
- The Client undertakes to hold harmless and indemnify the Company against all actions, proceedings, claims, costs, demands and expenses (including all reasonable legal, professional and other expenses) incurred by the Company in relation to such actions, proceedings, claims, costs and demands which may be brought against or suffered or incurred by the Company by reason of performance or non-performance of functions or services under these Terms unless due to or caused by the Company's Wrongful Acts

### **Data Protection and Confidentiality**

- The Company will obtain personal data about the Client during the provision of the Services and may subsequently obtain personal data about the Client either directly or, if any, from third parties such as the Client's account representative(s). The Company will only obtain, use and store personal data in accordance with Rules and in particular in accordance with data protection legislation including the General Data Protection Regulation. The Company's Privacy Policy (which has been sent to the Client separately and is available on the website at [www.fiig.com](http://www.fiig.com)) explains why the Company collects personal data, how it is used, the circumstances in which it may be transferred outside of the EEA and how it will be kept safe. Any changes to the Privacy Policy will be notified to the Client by e-mail.
- The Company will also obtain personal data about persons authorised to give instructions on the Client's behalf in relation to the provision of the Services, such as account representative(s), and will treat that data on the basis set out in the above clause. The Company will notify such persons of the Company Privacy Policy separately.
- The Client shall have the right to request access to his/ her personal data. The Client agrees to inform the Company immediately upon any changes to their personal information or upon becoming aware of any inaccurate, incomplete or immaterial personal data and to request the revisions thereof.

### **Marketing Material**

- The Client agrees to receive direct marketing material related to financial products.
- The Company agrees that the marketing materials will be fair, clear and not misleading.
- The Client's has a right to request the Company to refrain from sending any marketing material by informing the Company in writing.

### **Amendment and Termination**

- The Company may amend any provision of the Agreement provided that any material change which might give rise to an obligation on the part of the Company shall be notified to the Client in good time.
- The Agreement may be terminated at any time by either party with immediate effect upon giving written notice to the other party.
- The termination of the Agreement shall be without prejudice to any other rights or remedies the

Company may be entitled to hereunder or at law and shall not affect the coming into or the continuance in force of any provision of the Agreement which is expressly or by implication to come into effect or to continue in effect after such termination.

### **Schedules**

- The provisions of the schedules attached hereto shall form part of these Terms and Agreement between the Company and Client.

### **Governing law and Jurisdiction**

- The Agreement shall be governed by and construed in accordance with Maltese law and the parties hereto agree to submit to the non-exclusive jurisdiction of the Maltese courts.

## **ANNEX 1 – BEST EXECUTION POLICY (SUMMARY)**

In accordance with the Conduct of Business Rulebook published by the MFSA, the Company is required to establish, implement and maintain effective execution arrangements which ensure that the Company obtains the best possible result for its Clients. In providing the service of reception and transmission of orders the Company is required to act in accordance with the best interests of its clients when transmitting client orders to FIIG Securities for execution.

### **Disclosure obligation to clients**

As part of the Company's obligation in respect of best execution, the Company must provide its clients with a disclosure statement which sets out an overview of its best execution policy. This constitutes that disclosure to clients and by consenting to these Terms, the Client(s) consent to this policy.

If a Client makes any reasonable and proportionate requests for information (including additional information about this Policy), the Company shall answer clearly and within a reasonable time.

### **Best execution factors**

Subject to any specific instructions given by Client(s), when receiving and transmitting orders on their behalf, the Company will take all reasonable steps to obtain the best possible result for them by taking into account the following factors:

- price;
- cost;
- speed;
- likelihood of execution and settlement;
- size;
- nature; and
- any other relevant consideration.

Best execution applies to all financial instrument types. Provided that the Client understands that all transactions will be executed with the Execution Venue as defined below.

The best execution factors listed above is not an exhaustive list and there will be occasions when other factors may be more important or relevant and the Company may use its judgement and experience to give greater prominence to them.

### **Execution criteria**

The relative importance of each of the execution factors will be determined by reference to the following criteria:

- the characteristics of the Client including the categorisation of the Client as an Eligible Counterparty or Professional Client;
- the characteristics of the Client Order (if there is a Client order);
- the characteristics of financial instruments that are the subject of that Client order; and
- the characteristics of the execution venues to which that order is transmitted.

### Execution venues

The Company only transmits client orders to FIIG Securities Limited, an entity incorporated in Australia and licensed by the Australian Securities and Investments Commission, for execution. FIIG Securities Limited is the single execution venue for the Company and the Client acknowledges and agrees that all orders be transmitted to FIIG Securities Limited for execution.

### Specific Instructions

The Client acknowledges and agrees that whenever a specific instruction is received from the Client, the Company shall transmit an order for execution in accordance with the specific instructions given by the client. The Company shall be deemed to have satisfied its obligations to obtain the best possible result for the Client to the extent that the order is transmitted and executed in accordance with the specific instructions given by the Client and as set out above.

### Monitoring

The Company will monitor on a regular basis the effectiveness of the policy and, in particular, the execution quality of the entities identified in that policy. Where the monitoring reveals the need for any changes or enhancements to be made, these will be implemented as appropriate.

## ANNEX 2 – MANAGING CONFLICTS OF INTEREST POLICY (SUMMARY)

A Managing Conflicts of Interest Policy is required by the Company to maintain and operate effective organisational and administrative arrangements in order to take reasonable steps designed to prevent conflicts of interest from adversely affecting the interests of its clients. In this respect, the Company shall act honestly, fairly and professionally in accordance with the best interest of the Client.

In order to ensure compliance with the conflicts of interest requirements the Policy applies the following four tier approach:

1. Identification
2. Mitigating controls
3. Disclosure
4. Recording

### Identification of Conflicts of Interest

Conflicts of Interest may arise, in the course of providing any investment and ancillary services:

- a. between the interests of the Company or certain persons connected to the Company or the group of which the Company forms part (manager, employees or any person directly/indirectly linked to them by control) and a client of the Company; or one client and another client; or
- b. A combination of the above two possible scenarios.

In the course of identifying such conflicts of interest, the Company has taken into consideration as *minimum criteria*, whether itself or a relevant person<sup>1</sup> or a person directly/indirectly linked by control to the Company, falls within the following situations:

- a. The Company or that person is likely to make a financial gain, or avoid a financial loss at the expense of the client;

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<sup>1</sup> Relevant person is defined as any of the following:

- a. director, partner or equivalent, or manager of the Company;
- b. an employee of the Company, as well as any other natural person whose services are placed at the disposal and under the control of the Company and who is involved in the provision by the Company of investment services and activities;
- c. a person who is directly involved in the provision of services to the Company under an outsourcing arrangement for the purpose of the provision by the Company of investment services and activities.

- b. The Company or that 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 or that person has a financial or other incentive to favour the interests of another client or group of clients over the interests of the client;
- d. The Company or that person carries on the same business as the client; and
- e. The Company or that 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.

### **Mitigating Controls**

The Company, after identifying such conflict of interest, shall adopt effective administrative or organizational arrangements to prevent the possibility of such conflicts of interest from adversely affecting the interest of its clients by ensuring that the conflicted person engaged in activities involving a conflict of interest, carries on those activities at arm's length in an independent manner.

Potential conflicts of interest which could entail a material risk of damage to the interests of the clients include:

- 1. Remuneration
- 2. Performance fees (disparity)
- 3. Inducements
- 4. Potential misuse of information
- 5. Staff Dealing
- 6. External Interests

Please refer to the Conflicts of Interest Register in the Managing Conflicts of Interest Policy for a description and suggested arrangements for controlling/mitigating such conflicts.

### **Disclosure**

The Client should note that the Company receives a fee, payment or commission from FIIG Securities Limited, the Execution Venue, an entity incorporated in Australia and licensed by the Australian Securities and Investments Commission, for the transmission of the client orders to it for execution. You acknowledge that you have instructed the Company or have otherwise consented to the execution of the transaction by FIIG Securities Limited. In this respect, you acknowledge that the fee received by the Company from FIIG Securities Limited is designed to enhance the quality of service provided to you and in no way impairs the obligation of the Company to act in the best interest of the Client. The Client further confirms that details of such fees have been and will continue to be disclosed in accordance with the Rules.

In addition to the above, where we consider that our organisational and administrative arrangements under our Managing Conflicts of Interest Policy are insufficient to prevent or manage a particular conflict so as to ensure, with reasonable confidence, that the risk of damage to your interests will be prevented, we will inform you of this in writing. This disclosure will include all sufficient details of the nature and source of the conflict that has arisen from the service provided or proposed to be provided and an explanation of the risks that arise.

If you have any queries regarding the Company's Managing Conflicts of Interest Policy or would like to receive a copy of the Policy, please contact the Company using the contact details provided.

### **Recording**

A record of the Company's conflicts disclosures, by business service or activity, the circumstances in which conflicts arise which are potentially damaging to one or more clients and mitigating controls shall be kept by the Company and regularly updated.