

## CONFLICTS OF INTEREST POLICY

<b>Effective as of:</b>	16.06.2025
<b>Approved by:</b>	Board of Directors
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<b>Geographic applicability:</b>	Cyprus
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## **1. INTRODUCTION**

BOSON ALFA LTD (hereinafter referred to as the «Company») with its office at 54 Vasileos Georgiou A Str., Galatex Beach Center, Block E2, Office 46 Potamos Germasogeias, 4047, Limassol, Cyprus is the Cyprus Investment Firm («CIF») authorized and regulated by the Cyprus Securities and Exchange Commission («CySEC») with license No.314/16.

Following the European Union's (EU's) Second Directive on Markets in Financial Instruments (MiFID II) entered into force with the main objective of strengthening investor protection and increasing transparency in financial markets (Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on Markets in Financial Instruments and Amending Directive 2002/92/EC and Directive 2011/61/EU (MiFID II)), implemented in Cyprus by the Investment Services and Investment Activities and Regulated Markets Law 87(I)/2017 (New IS Law) the Company is required to provide its Clients and potential Clients with its Conflicts of Interest Policy (hereinafter the «Policy»).

Under the above legislation, the Company is required to take all reasonable steps to detect and avoid conflicts of interest. Company 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/or 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). The Company's 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.

## **2. SCOPE AND APPLICATION**

Conflict situations are defined as those in which the Client's or potential Client's interest conflicts with that of another Client and/or the Company's interest and as a result there is a material risk that the interests of one or more Clients could be harmed. For the purposes of Conflicts of Interest Policy, the Company's interest includes the interests of its employees or other people who work under its direct or indirect control.

The Company takes all reasonable steps to detect and avoid conflicts of interest that could arise when investment or ancillary service are offered taking into account the size and organisation of the CIF and the nature, scale and complexity of its business.

The Company must keep an up-to-date list of all situations where a conflict of interest has arisen, or which have posed a significant risk of harming the interests of one or more Clients.

The peculiarities of conflicts of interest arising with regards to Company Board members are described in Suitability Policy for Board members.

## **3. CATEGORIES OF CONFLICTS OF INTEREST AND ACTIVITIES GIVING RISE TO DETRIMENTAL CONFLICT OF INTEREST**

Conflicts of Interest are separated into two categories to ensure appropriate and proportional management: Individual and Institutional Conflicts of Interest.

### **Individual Conflicts of Interest**

Conflicts of Interest arising with regards to a named individual employee's or Board member's private interest or past or present personal or professional relationships are defined Individual Conflicts of Interest. The interest of Close Family members or Principals of the Employee( i.e. natural or non-natural person whose financial matters the Employee has legal authority to manage) is included in the scope of the Employee's private interest to the extent that the Employee is aware of the interest. Past professional or personal relationships from the period of last two years shall be considered relevant in assessing whether an Individual Conflict of Interest arises. Individual Conflicts of Interest can arise between an Employee (or Board member) and the Company, between different Employees or between an Employee and third parties like Company's customers, vendors, service providers etc. Individual Conflicts can be Permanent or Non-Permanent.

A Permanent Conflict of Interest is a situation where the Conflict of Interest persists or recurs and needs to be managed on an ongoing basis.

A Non-permanent Conflict of Interest is a situation that exists during a specific period of time or regarding a specific activity or decision and needs to be managed on a case by case basis.

### **Institutional Conflicts of Interest**

Conflicts of Interest that arise in connection with Company's business activities are defined Institutional Conflicts of interest. These can arise with regard to different activities, financial services, customers, roles, functions, business lines, or Company's departments with regard to external stakeholders including shareholders. When the Company provides many different services, as a result there is an inherent Conflict of Interest risk that needs to be managed on an ongoing or recurring basis .These Institutional Conflicts of Interest are thus considered Permanent as the circumstances persist or recur during the course of Company's business activities. Certain Institutional Conflicts of interest arise on a case by case basis. These Non-Permanent Conflicts of Interest are situations that exist during a specific period of time or regarding a specific transaction or decision and need to be addressed specifically each time.

Institutional Conflicts of Interest can arise:

- involving individual persons as well as larger groups of people or units, decision-making bodies, legal entities or other non-individuals.
- with regard to any external stakeholders like Clients, shareholders and service providers including any Linked Persons.
- between the different roles and responsibilities assigned to an Employee within the Company (for clarity the Conflict of Interest is an Institutional Conflict of Interest even though it affects a named individual Employee as these issues do not stem from the individual Employee's personal interest.)
- between two or more of Company's clients.

The list is non-exhaustive.

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, the Company needs to take into account, by way of minimum criteria, the question of whether the Company or a relevant person, or a person directly or indirectly linked by control to the Company, is in any of the following situations, whether as a result of providing investment or ancillary services or investment activities or otherwise:

- the Company or that person is likely to make a financial gain, or avoid a financial loss, at the expense of the Client,
- 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,
- the Company or that person has a financial or other incentive to favour the interest of another Client or group of Clients over the interests of the Client,
- the Company or that person carries on the same business as the Client,
- 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.

#### **4. POTENTIAL CONFLICTS OF INTEREST THAT MAY ARISE IN PROVIDING PORTFOLIO MANAGEMENT**

Where the Company is providing the service of discretionary, individual management of investment portfolios, Clients delegate asset management to one of the Company's portfolio managers and with it the decision to buy or sell individual financial instruments. The Company, through its portfolio managers, decides whether to buy or sell assets on the basis of investment guidelines agreed with the Client, but it does not obtain Client approval each time.

Therefore, Conflicts of Interest could arise in the following instances:

- in the event of the purchase or sale of financial instruments on behalf of Clients in illiquid or non-transparent markets; in some instances this could result in a large profit for the Company or for another Client;
- the fee received by the Company's employees providing portfolio or asset management services may be based on the performance of the Client's portfolio they are managing; in this instance, there may be an implicit incentive related to the increase in performance, which could lead to situations where managers, at the time of providing the service, do not take into account the risks inherent in their investment decisions, leading to action that is contrary to the interests of a Client or group of Clients;
- the Company is the discretionary portfolio manager for more than one Client – in particular in respect of issues related to allocation;
- Clients' interests could be harmed for instance if ESG considerations are misused as an excuse to sell proprietary products or more costly products, or to generate unnecessary churning of Clients' portfolios, or by firms misrepresenting products or strategies as fulfilling ESG preferences where they do not.

As such arrangements may exacerbate existing Conflicts of Interest, the Company, in order to counter the associated risks, has introduced appropriate procedures as in particular by an investment selection process based on each individual Client profile.

Furthermore all inducements received within the scope of a portfolio management related Client relationship are handled according to established Inducement Policy.

Performance-related pay is another area where there is a potential Conflict of Interest where the Company is providing the service of discretionary, individual management of investment portfolios. Here, it is impossible to exclude the possibility that a portfolio manager may take disproportionate risks in order to maximise his/her performance-related pay. Measures to reduce this risk include the internal monitoring of investment decisions by staff and combining performance-related pay and fixed remuneration, as set forth in the Company's Remuneration Policy.

## **5. MATERIALITY OF CONFLICTS OF INTEREST AND MEASURES FOR AVOIDANCE OF CONFLICTS OF INTEREST**

Each Conflict of Interest shall be assessed for materiality purposes (as either material or non-material). Materiality is to be assessed inherently i.e. before any preventive or mitigating controls are assigned. Materiality is dependent on the risk of detriment that it poses to Company or Company's Clients.

A Conflict of Interest shall be deemed material where it is not insignificant and could cause probable:

- detriment to one or more of Company's Clients, or
- financial loss or liability for the Company.
- reputational risk for the Company.

Assessing a Conflict of Interest as material, as described above, requires an assessment of the situation in order to mitigate/avoid the Conflict of Interest.

It should also be assessed whether the Conflict of Interest is Permanent, requiring ongoing or recurring preventive or mitigating measures or Non-Permanent, meaning that it can usually be managed with a one-off measure. This aspect is important as Permanent Conflicts of Interest need to be followed up at least annually to ensure effective mitigating or preventive measures continue to be in place.

In order to adhere to the measures to manage Conflicts of Interest, each Employee shall be aware of the identified Conflicts of Interest and agreed preventive or mitigating measures that are relevant for his or her role and duties.

- Any person in the Company that receives information that is known or reasonably believed to be material non-public information communicates such information to the Compliance Officer without discussing the information with co-workers. The recipient refrains from trading on the information or from discussing the information inside or outside the Company until the Compliance Officer decides that the information is either not material or has been made public. Also the same procedures are followed to safeguard information received in a special or confidential relationship.
- Steps are taken to physically separate and control access to information as may be required to guarantee such separation. Chinese walls are information barriers that are implemented within the Company to separate and isolate persons who make investment decisions from persons who

are privy to undisclosed material information which may influence those decisions, namely to control the flow of such information between the departments.

- The departments are physically separated as necessary by applicable regulation and the Compliance Officer will monitor and control interdepartmental communications.
- Limits are in place on the access of departments to IT systems that could
  - contain information that could lead to conflict of interest
  - lead to the alteration of information by unauthorized persons and
  - restrict the possibility of the improper use of privileged or confidential information concerning the Clients.
- Employees are required to disclose any relationship with a Client that could lead to preferential Client treatment. Independently of any employee declarations the Compliance Officer will monitor on a weekly basis a sample of transactions in which either a price was provided over the phone or a Client order was executed to certify that no preferential Client treatment takes place.
- Employees' pay in any department is never set by someone from another department with which there is or may be a conflict of interest. Pay criteria will take into consideration objectivity and independence of departments.
- No employee is simultaneously involved in activities that pose a conflict of interest.
- 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 the Company.
- When the organizational or administrative steps taken to handle conflicts of interest are not considered sufficient to guarantee, with reasonable certainty, that the risks of harming the Client's interests are prevented, the Company clearly informs the Client, in a lasting format, of the general nature or source of the conflicts of interest before acting on the Client's behalf.
- The Company shall have a Conflicts of Interest register to record the identified Conflicts of Interest which are material, those registers must be kept up to date and Permanent Conflicts of Interest reviewed at least annually.
- The Company maintains a copy of its Conflict of Interest Policy posted on its website and provides in a durable medium a copy of such policy to any Client that opens an account.

## **6. CLOSE LINKS**

The Company takes into account any circumstances which may give rise to a conflict of interest arising as a result of the structure and business activities of other companies to which it has close links.

When parties are related it may have a significant influence on how they engage with each other including the terms and conditions on which they conclude agreements. In order to prevent any conflict of interest in transactions with a related party the transaction must always be conducted as part of Company's ordinary course of business as well as on arm-lengths terms. Deviations from these principles require the approval of the Board.

The Company ensures that relevant persons engaged in different business activities carry on those activities at a level of independence appropriate to the size and activities of the Company and of the related companies, and to the materiality of the risk of damage to the interests of Clients.

In this respect, the Compliance Officer will need to keep and update a list of such employees, which come into contact with the Company or its Clients, directly or indirectly, creating, thus, the possibility of a conflict of interest situation.

## **7. COMPLIANCE WITH AND SUPERVISION OF THE CONFLICTS OF INTEREST POLICY**

The Compliance Officer will ensure by means of regular checks and inspections that the above mentioned procedures and controls are being followed. Furthermore, the Internal Auditor is responsible for monitoring and supervising all the procedures and controls regarding the Company's Conflict of Interest Policy, at least once a year.

All employees are responsible for complying with the Conflicts of Interest Policy and the Senior management is responsible for ensuring that the system and controls put in place meet the requirements imposed by the applicable regulations.

The Compliance Officer will periodically review the contents of the Policy and whether it fulfils the regulatory requirements as well as the effectiveness of the steps taken within the framework of managing the conflicts of interest identified.

The Compliance Officer shall ensure that the Executive Directors or other hierarchical officers do not exercise inappropriate influence over the way in which a relevant person carries out the provision of investment and ancillary services. This shall be verified by frequent personal interviews with all Heads of the Departments as applicable.

Maintenance and regular update of a record of the kinds of investment or ancillary service or investment activity carried out by or on behalf of the Company in which a conflict of interest entailing a material risk of damage to the interests of one or more Clients has arisen or, in the case of an ongoing service or activity, may arise.

## **8. PROMOTIONAL & ADVERTISING MATERIAL AND HANDLING**

The promotional material that the Company specifically uses may be on-line advertising, offline advertising, expos, newsletters, and seminars. The relevant marketing staff is responsible for maintaining a copy of all such promotional material. All promotional material and records of review and approval by the Compliance Officer will be maintained in specially-designated files for a period of five years.

Promotional material generally includes:

- Any text of a standardized oral presentation (i.e. scripts used to solicit customers) or any communication for publication in any newspaper, magazine or similar medium, or for broadcast over television;
- Any standardized form of report, letter (including e-mail), circular, memorandum or publication that is disseminated or directed to the public (e.g., to customers generally); and
- Any other written material disseminated or directed to the public for the purpose of soliciting accounts.

The Compliance Officer role in promotion and advertising:

- reviews and approves all promotional material before it is used;
- no less than weekly, accesses a specially-designated library to monitor all outgoing material, including chat room messages;
- is responsible for making a written record of his approval of promotional material and his review of outgoing messages;
- maintains a central file of all advertising and sales literature approved by the Company. For each item reviewed, the file will include the following:
  - approval by the Compliance Officer or other designated Supervisor,
  - any revision, if necessary,
  - a record that the item was filed with the applicable regulator and when (if required),
  - approval received from the applicable regulator (if required),
  - when the item was used,
  - in what media the item appeared.

Promotional material is a form of communication and, therefore, is subject to prohibitions relating to oral solicitations described above. In addition, the following types of promotional material are prohibited:

- Material that is likely to deceive or mislead the public;
- Material that contains any material misstatement of fact or that the Company omits a fact that makes the material misleading; and
- Material that mentions the possibility of profit, unless such material also contains or is accompanied by an equally prominent statement of risk of loss.

## **9. REVIEW AND AMENDMENT**

The Company also constantly reviews its Conflicts of Interest Policy, at least annually, so that it can ensure its suitability and its efficiency regarding the protection of the Company's and Client's interests. All practices, part of the Policy, contribute to the required integrity, equality and transparency standards of the Company. If the adoption or the practice of one or more of those measures and procedures does not ensure the requisite degree of independence, alternative or additional measures and procedures as are necessary and appropriate for this purpose are adopted.

The existing Clients will be notified of any material changes or amendments to this Policy which may be made from time to time. The latest version of the document will also be available at [www.bosonalfa.com](http://www.bosonalfa.com).

**CONFLISTS OF INTEREST REGISTER**

<b>Date of conflict</b>	<b>Details of conflict</b>	<b>How identified</b>	<b>Actions taken</b>	<b>Follow up requirements</b>	<b>Date resolved</b>