

XTB Limited (ex. DUB Investments Ltd) Conflict of Interest Policy

1. Introduction

This summarized Conflicts of Interest Policy (hereinafter, the "Policy") is provided to you (our Client or prospective Client) in accordance with the Investment Services and Activities and Regulated Markets Law of 2017 L.87(I)/2017 ("the Law"), pursuant to which XTB Limited (ex. DUB Investments Ltd) ("the Company") is required to take all appropriate steps to detect and avoid conflicts of interest.

This Policy is an adjunct to the Company's overarching general obligation 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.

The Company provides herein a summary of the Policy it maintains in order to manage conflicts of interest in respect of the duties it owes to its Clients.

2. Scope

The purpose of this document is to set out the Company's approach in identifying and managing conflicts of interest which may arise during the course of its normal business activities and the provision of Services to its Clients. In addition, this document identifies circumstances which may give rise to a situation of conflict of interest.

The Policy applies to all its directors, employees, any persons directly or indirectly linked to the Company (hereinafter called "Related Persons") and refers to all interactions with all Clients.

3. General Identification of Conflicts of Interest

3.1. General Principals

When the Company deals/transacts with or on behalf of the Client, the Company (or 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 it conflicts with the Client's interest. The Company hereby identifies and discloses a range of situations and 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.

The Company shall take all appropriate steps to identify conflicts of interest situations between the Company and its Related Persons, the Company and its Clients or between its Clients during the course of the provision of investment services.

The Company's Policy, in general:

- a) Identifies with reference to the investment services carried out by the Company, the circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more Clients; and
- b) Specifies procedures to be followed and measures to be adopted in order to manage such conflicts.

3.2. Criteria and Circumstances

When the Company deals with or on behalf of the Client, the Company, an associate or some other person connected with the Company, may have an interest, relationship or arrangement that is material in relation to the transaction concerned or that conflicts with the Client's interest. The Company hereby identifies and discloses a range of situations and 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.

To identify different types of conflicts that might arise in the course of providing its Services, and whose existence may harm or otherwise damage one or more Clients' interests, takes into account, by way of minimum criteria, the question of whether the Company itself or a Related Person or a person directly or indirectly linked by control to the Company, is in any of the following situations, as a result of providing investment services or otherwise:

- a) The Company or a Related Person is likely to make a financial gain or avoid a financial loss at the expense of a Client;
- b) The Company or a Related 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;
- c) 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 for the Client, which is distinct from the Client's interest in that outcome;
- d) The Company or a Related Person has a financial or other incentive to favor the interest of another Client or group of Clients over the interests of the Client;
- e) The Company or a Related Person carries on the same business as the Client.

3.3. Non-Exhausting list of Circumstances of Conflicts of Interest:

While it is not feasible to define precisely or create an exhaustive list of all relevant conflicts of interest that may arise, as per the current nature, scale and complexity of the Company's business, the following list includes circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more Clients, as a result of providing investment services:

- a) The possible use of confidential information derived from the different departments of the Company;
- b) The remuneration of Providers by the Clients through the Brokers where the interest of the Client conflicts with the interest of the Provider.
- 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 may be providing other services to associates or other Clients of the Company who may have interests in Financial Instruments or Underlying Assets, which are in conflict or in competition with the Client's interests;
- e) the Company is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- f) the Company may receive or pay inducements to or from third parties due to the referral of new Clients or Clients' trading;
- g) Any market information, training and discussions as regards possible market trends should not be construed as trading/investment advice. It is the client responsibility to perform its own market research before entering into any position;
- h) The Company is the counterparty to its Clients positions (i.e. act as Principal) and therefore stands to profit if the Client loses.

The Client consents to and authorizes the Company to deal with or for the Client in any manner which the Company considers appropriate, notwithstanding any conflict of interest or the existence of any material interest in a transaction, without prior reference to the Client. Company employees are required to comply with a policy of independence and to disregard any such material interest or conflict of interest while offering services to the Client.

4. Information regarding general principles of preventing and managing the conflict of interests

In general, the procedures and controls that the Company follows to manage the identified conflicts of interest include the following measures (list is not exhaustive):

- In order to prevent the conflict of interests, the Company has separated the Dealing on Own Account and Brokerage Departments. In addition, the Company separated the aforementioned departments from departments directly cooperating with clients, i.e. Sales Department and Client Service Department (which are outsourced to other entities within a XTB group located in EU) by means of so-called "Chinese walls", so that the departments have full autonomy when offering investment services to clients and when assessing the suitability of given products for particular clients. The purpose of the division described above is to make sure that the selection of the financial instrument offered to a given client is not related to the current open position whatsoever. The Dealing on Own Account and Brokerage Departments do not have a direct contact with clients.

- the incentive scheme for the employees of the Sales Department and Client Service Department was designed in a way which prevents its relation to the performance of portfolio of the Company's financial instruments created when executing transactions with clients;
- the Company's organisational structure does not allow any competence relations between the departments having direct contact with the client and the departments remaining in the area of conflict of interests between the Company and clients;
- employees of the Brokerage and Dealing on Own Account Departments are not allowed to speak in public about issues regarding the current market situation and participation in the preparation of reports and comments concerning market made public by the Company;
- the employees of the Brokerage and Dealing on Own Account Departments never know the intentions of the client regarding the conclusion of a transaction. They are in all cases obliged to provide the clients at the same time with the purchase and selling price of a particular financial instrument, taking into account the spread consistent with the table of financial instrument specification and the rules and regulations of service rendering, which the client may use at his/her own discretion to open a new position or close the former one;
- the employees of the Trading Department never know the intentions of the client regarding the direction of the transaction execution. The Company's employees are not allowed to accept gifts in the form of pecuniary or non-pecuniary benefits from clients, potential clients or third parties
- The Company undertakes ongoing monitoring of business activities to ensure that internal controls are appropriate;
- The Company undertakes effective procedures to prevent or control the exchange of information between Related 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;
- Measures to prevent or limit any person from exercising inappropriate influence over the way in which the Related Person carries out investment services;
- A policy designed to limit the conflict of interest arising from the giving and receiving of inducements;
- Establishment of in-house Compliance Department to monitor and report on the above to the Company's Board of Directors;
- A "need to know" policy governing the dissemination of confidential or inside information within the Company;
- Appointment of Internal Auditor to ensure that appropriate systems and controls are maintained and report to the Company's Board of Directors;
- Establishment of the "four-eyes" principle in supervising the Company's activities.
- A policy designed to ensure that clients' orders are executed in terms favourable to them.

5. Specific Identification of Conflict of Interest and Measures for their Management

The Company is constantly conducting an in-depth analysis of its business and organisational arrangements including best execution arrangements, inducement practices, remuneration practices and investment research/marketing communication procedures, to ensure that all likely conflict of interest situations are identified regardless of materiality.

6. Disclosure of Information

The Company must adequately consider how to manage all conflicts of interest before resorting to disclosure. This will be a last resort after all appropriate steps have been taken.

If during the course of a business relationship with a Client or group of Clients, the organizational or administrative arrangements/measures in place are not sufficient to avoid or manage a conflict of interest relating to that Client or group of Clients, the Company will disclose the conflict of interest before undertaking further business with the Client or group of Clients.

The disclosure will:

- be in a durable medium;

- clearly state that the organisational and administrative arrangements established by the Company to prevent or manage the conflicts are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the Client will be prevented;
- include a specific description of the conflicts of interest that arise in the provision of investment services and ancillary services;
- explain the risks to the Client that arise as a result of the conflicts of interest and the steps undertaken to mitigate these risks;
- include sufficient detail, taking into account the nature of the client, to enable the Client to make an informed decision with respect to the services in the context of which the conflict of interest arises.

If a Client decides not to go ahead with the service due to the conflict disclosed, the Company will have no choice but to decline the provision of services if the conflict cannot be effectively managed.

7. Amendment of the Policy and Additional Information

If the client wishes to obtain detailed information on the principles of the Company's procedure in the case of conflict of interests, the Company will make such information available via a webpage or durable data medium, at the client's request.

The Company reserves the right to review and update its Policy and arrangement whenever it deems this appropriate.

8. Client's Consent

By entering into a Client Agreement with the Company for the provision of Investment Services, the Client is consenting to an application of this Policy on him. Further, the Client consents to and authorizes the Company to deal with the Client in any manner which the Company considers appropriate, notwithstanding any conflict of interest or the existence of any interest in a Transaction, without prior reference to the Client.

In the event that the Company is unable to deal with a conflict of interest situation it shall revert to the Client.