

A. REGULATORY REQUIREMENTS

- A1. ALB Limited (the “**Company**”) is a private limited liability company incorporated under the laws of Malta. The Company is licensed by the MFSA as a Class 2 licence holder (ISI79767), and is authorised to deal on own account and execute orders on behalf of clients in terms of the Investment Services Act (Cap. 370, Laws of Malta). The Company provides its services to retail clients, professional clients and eligible counterparties (collectively referred to as the “**Clients**”)
- A2. The Company is a member of the ALB Group of Companies (the “**Group**”).
- A3. The Investment Services Rules for Investment Services Providers (the “**Rules**”) issued by the Malta Financial Services Authority (the “**MFSA**”) lay down regulatory obligations imposed on Investment Services Licence Holders which qualify as MiFID Firms with respect to the management of conflicts of interest.
- A4. In accordance with the Rules and the Markets in Financial Instruments Directive (“**MiFID**”), it is compulsory for the Company to establish, implement and maintain an effective conflicts of interest policy. By virtue of this document, the Company is establishing its conflicts of interest policy (the “**Policy**”).

B. CONFLICTS HANDLING POLICY

- B1. It is the Company’s policy to identify and prevent conflicts of interest that may arise in the course of its business activities. Conflicts of interest may arise between:
 - i. the Company, including any directors, managers, employees, officers, member of any committee of the Company, any person or entity directly or indirectly linked to the Company by control, or any person or entity directly involved in the provision of services placed at the disposal of the Company and/or under the control of the Company or through an outsourcing agreement (collectively, “**Relevant Persons**”) and their Clients;
 - ii. different Clients of the Company;
 - iii. the Company and any Relevant Person;
 - iv. different departments of the Company; and
 - v. different companies and associates within the Group.
- B2. This Policy 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 reasonable 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 Clients.

C. IDENTIFICATION OF CONFLICTS

- C1. A conflict of interest is a situation where either the Company or any of its Relevant Persons is in a position to exploit the proceedings of a transaction or the services or activities in a professional or official capacity in some way either for corporate or personal benefit or interest.
- C2. Conflicts of interest include situations where the Company, or any of its Relevant Person(s):
 - a) are likely to make a financial gain, or avoid a financial loss, at the expense of the Client;
 - b) have an interest distinct from that of the Client, in the outcome of a service provided or a transaction undertaken on behalf of the Client;

- c) have a financial or other incentive to favour the interest of one Client or group of Clients over the interest of another Client or group of Clients;
 - d) carry on the same business as the Client; or
 - e) receives or will receive from a person other than the Client, a payment, gift or other form of 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.
- C3. The Compliance Officer is tasked with identifying conflicts of interest and reports directly to the Board of Directors of the Company. The Board of Directors must make available any information which is relevant for the Compliance Officer to identify conflicts of interest.
- C4. The Company maintains a conflict register which records all the conflicts of interests which entail a material risk of damage to the interests of one or more Clients, and any conflicts of interest which may arise from time to time, and the manner in which the risks relating to those conflicts of interests are mitigated. Should the Compliance Officer identify any conflicts of interest, the Compliance Officer should report the matter immediately to the Board of Directors and shall act expeditiously to address the conflicts of interest and/or to remedy any breach of this Policy.

GENERAL CONFLICTS OF INTEREST

- C5. In view of the business activities of the Company (ie. acting as market maker), certain decisions may be taken with a view of maximising the profits of the Company. The need for separate supervision of Relevant Persons whose principle functions involve carrying out activities on behalf of, or providing services to, Clients whose interests may conflict with those of the Company is vital in order to ensure that the Company acts in the best interest of Clients when undertaking its investment services business.
- C6. Given that different departments may have different aims, the Company established clear Chinese Walls in order to prevent and/or control the exchange of information between Relevant Persons engaged in activities involving a risk of conflict of interest.
- C7. In order to mitigate conflicts of interest, the Company shall also ensure that there is no direct link between the remuneration of Relevant Persons principally engaged with 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. By way of example, members of the treasury committee will not be remunerated based on client performance.

TRADING AND INVESTMENT CONFLICTS OF INTEREST

- C8. The Company faces a variety of “standard” conflicts similar to those faced by most firms in a similar business to the Company. These include conflicts associated with, *inter alia*:
- a) personal account trading by staff in securities traded for the Clients;
 - b) allocation of transactions amongst different Clients;
 - c) favouring some counterparties over others in the execution of transactions; and
 - d) entertainment or other forms of inducement.
- C9. The Company may also face a variety of other conflicts as a result of the nature of the activities which the Company provides. The Company may act as a market maker and an executing broker. In view of the conflicting activities, the Company has a conflict of interest which needs to be managed appropriately.
- C10. The Company may combine a transaction for a Client with orders of another Client. The Company will only aggregate orders when it considers that the aggregation of orders will work to the advantage of the Clients. The effect of aggregation may in certain instances work to the disadvantage of a Client in relation to any particular order.

PRICING CONFLICTS

- C11. Matters relative to prices of instruments on the trading platform offered by the Company are provided by the liquidity providers engaged by the Company. The Company undertakes that the liquidity providers are engaged on an arms length basis.



C12. The Treasury Committee is responsible to set the pricing policies of the Company. In view of the services provided by the Company, there is proper segregation of the treasury function from the brokerage function.

D. CONFLICTS PREVENTION AND MANAGEMENT

- D1. The Company shall maintain and operate effective operational and administrative measures designed to identify, prevent, manage and monitor conflicts of interest thereby ensuring that none of its Clients are affected by a potential conflicts of interest.
- D2. The Company has robust governance arrangements and management oversight of the business. Key business decisions are taken by the Board of Directors and the respective head of departments, who understand the Company's obligations to identify, manage and mitigate conflicts of interest.
- D3. The Compliance Officer is tasked with identifying conflicts of interest and reports directly to the Board of Directors of the Company in this respect. The Compliance Officer shall adopt a holistic approach to the identification of potential and emerging conflicts within and across different business lines of the Company and will ensure that the necessary actions are taken. The Board of Directors must make available any information which is relevant for the Compliance Officer to identify conflicts of interest.
- D4. A member of the Board of Directors of the Company is not prohibited from any involvement within the specific committees or departments or from carrying out any other function within the Company. If any conflict were to arise, the member of the Board of Directors shall disclose such conflict and the necessary action in order to mitigate and/or eliminate such conflict shall be taken by the Board of Directors.
- D5. Since the Company is a member of the Group, the Company shall keep itself up to date with the activities of and any relevant changes in the structure and/or business activities of other members of the Group, which may give rise to a conflict of interest affecting the Company. Any potential conflicts of interest or actual conflicts of interest identified should be reported to the Compliance Officer in order that the Compliance Officer may keep a record of such conflict in accordance with paragraph C4 of this Policy.

D6. Procedures and measures preventing or managing conflicts of interest include:

- a) **Reporting Lines.** The Company has clear reporting lines. An organisation chart is maintained by the Compliance Officer and updated from time to time as may be required in line with the operational set up of the Company;
- b) **Separate Supervision.** The Company shall also prevent or control any person or committee from influencing another Relevant Person in the performance of their duties. The Company has established clear segregated functions with separate reporting lines in order that there is no inappropriate influence over the way in which a Relevant Person carries out the services for which he has been appointed or engaged. In the event that any Relevant Person feels that inappropriate influence is being exerted on him/her, the Relevant Person shall inform the Compliance Officer without undue delay in order that the Compliance Officer may consult the Board of Directors of the Company as to how to proceed on the matter.
- c) **Independent decisions.** In the course of meetings or decision-related activities, a director (or any other member of a committee of the Board of Directors), shall disclose any conflicts in any matter being discussed by the Board of Directors or committee, as the case may be. Following such disclosure, and prior to any discussion in relation to such matter such person shall not be involved in the discussion or any decision relating to the matter. Any such disclosure and subsequent action taken will be noted in the minutes of the Board of Directors or the committee as the case may be.
- d) **Segregation of functions.** The Company has appropriately segregated duties and functions, all acting independently of one another, and all under the separate direct supervision of the Board of Directors of the Company, so as to avoid conflicts of interest where possible.

In particular, the Company undertakes (i) dealing on own account functions and (ii) execution of orders on behalf of clients. The dealing on own account functions may conflict with acting in the best interest of the Clients. In order to mitigate the conflicts of interest, the two services are carried out by segregated committees and/or individuals, each with their own separate supervision and reporting lines, so as to avoid conflicts of interest where possible.

The Treasury Committee is responsible for the treasury function (dealing on own account). The Head of Risk Management and the Head of Operations will be responsible to ensure that on a day to day basis, the



treasury function is duly monitored and the necessary actions are taken to ensure that necessary action is taken to ensure that the treasury function is undertaken in line with the policies and procedures established by the Treasury Committee in consultation with the risk management function. The Head of Operations and Head of Risk Management shall act in conjunction with the Treasury Committee in undertaking the day to day functions. The Head of Operations, Head of Risk Management and the Treasury Committee are in turn answerable to the Board of Directors of the Company.

The Head of Dealing is responsible for the execution of orders on behalf of the Clients. The Head of Dealing will be assisted by other traders of the Company in undertaking the day to day functions. The Head of Dealing is answerable to the Board of Directors of the Company.

- e) **Risk Management.** The risk management function operates independently from all other business units of the Company. Whilst the risk management function may take decisions in conjunction with other business units (such as the treasury committee), the risk management function is only involved in such functions from a risk management point of view and to ensure that the necessary procedures and policies of the Company are duly being adhered to.
- f) **Compliance Function.** The Compliance Officer reports directly to the Board of Directors in the exercise of his functions. The Compliance Officer is not involved in any other business units of the Company, thereby ensuring proper independence. In addition the Compliance Officer is not paid any variable remuneration based on the performance of the Clients of the Company.
- g) **Chinese Walls.** The Company shall also prevent or control the exchange of information between Relevant Persons engaged in activities which may give rise to a conflict of interest, where such exchange may harm the interests of one or more Clients. In order to ensure this, the Company has put in place Chinese Walls to restrict the exchange of information and ensure proper segregation between Relevant Persons of the Company and between the Company and other companies belonging to the Group. Information barriers have been put in place to prevent communication of material information and other sensitive information from one company of the group to another so as to control the flow of such information where such exchange of information may harm Clients. Chinese Walls are also implemented within the Company both on an electronic level as well as on a physical level (by having the departments duly segregated between each other.). The Board of Directors, in conjunction with the Compliance Officer and the Head of Risk Management, shall be responsible to ensure that the Chinese Walls are duly implemented within the Company.
- h) **Access to Information.** Material information will be confined only to persons who have a need to know that information in order to carry out their responsibilities. Unless a Relevant Person needs to have access to such information in order to undertake his functions in line with the relevant Rules, the Relevant Person will not have access to such information. The Board of Directors in conjunction with the Head of Risk Management shall be responsible to ensure that the Company has the necessary procedures in place to ensure that material information is limited to certain categories of staff on a need to know basis.
- i) **Prices of Instruments.** The Company will enter into agreements with established and regulated liquidity providers which will provide the Company with prices available on the markets. Through an aggregation price engine, the Company will provide the Clients with the best prices of the instruments. The prices provided to Clients are generated by the aggregation engine which obtains prices from various established and regulated brokers, thereby ensuring that the prices are independently generated.]
- j) **Appointment of Liquidity Providers.** Prior to the appointment of liquidity providers, the Head of Operations shall ensure that the proposed liquidity providers are duly regulated in a reputable jurisdiction. Liquidity providers shall be appointed by the Company on an arms length basis. The Head of Operations shall also be responsible to ensure that the Company maintains a documented due diligence file with all information and documentation with respect to each liquidity provider.
- k) **Remuneration.** The Company has a documented Remuneration Policy detailing the Company's approach to remuneration arrangements. The Remuneration Policy sets the principles for the payment of fixed and variable remuneration of identified staff, taking into account the guidelines issued by ESMA on remuneration policies and best practices for MiFID firms. In particular, the Company has established the following procedures in order to mitigate and manage any conflicts of interest which may arise:



- (1) The remuneration of all Relevant Persons is established and paid out by the Board of Directors of the Company in line with the applicable laws and Rules and in line with the Remuneration Policy of the Company.
- (2) Variable remuneration of identified staff is based on the achievement of objectives linked to their functions.
- (3) Non-Executive Directors are not entitled to any variable remuneration.
- (4) Any member of the Board of Directors who may have an interest in the determination of the remuneration for any or all of the Relevant Persons (including as a result of a close family or other personal relationship with any of the Relevant Persons) shall abstain from such a discussion and decision.

In particular, the Company, through the Board of Directors, shall also ensure that there is no direct link between the remuneration of Relevant Persons principally engaged with one activity and the remuneration of, or revenues generated by, different Relevant Persons principally engaged in another activity, where a conflicts of interest may arise in relation to those activities. By way of example, members of the treasury committee will not be remunerated based on client performance.

- l) **Best Execution.** The Company has in place a documented Best Execution Policy setting out the procedures adopted by the Company in order to ensure that, when executing orders, the Company takes all reasonable steps to obtain, the best possible result for its Clients taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.
- m) **Order Allocation.** The Company has in place a documented Order Allocation Policy (refer to Best Execution Policy) setting out the procedures adopted where trades are allocated to one Client over the other. The Order Allocation Policy sets out the ways in which the Company may allocate trades to one Client over the other. The Order Allocation Policy is applied and monitored to provide for the fair allocation of aggregated orders and transactions.
- n) **Payments, gifts or other form of inducements.** The Company has implemented a documented Payment, Gifts and other Inducement Policy in line with the Rules in order to regulate the payment and/or receipt of payments, gifts or other forms of inducements in the provision of services to Clients.
- o) **Proprietary Trading.** The Company acts as a market maker in respect of certain trades. In order to ensure that there are no conflicts of interest, the proprietary function (which is under the responsibility of the Treasury Committee) is clearly segregated from the brokerage function, thereby eliminating any conflicts of interest.
- p) **Personal Account Dealing.** A Personal Accounting Dealing Policy which sets out the procedures with respect to personal account dealings by Relevant Persons has been adopted and is maintained by the Company.
- q) **Personal Conflicts.** Relevant Persons are required to disclose in writing any conflicts of interest upon commencement of employment/engagement with the Company. Relevant Persons will be required to disclose any conflicts of interest directly to the Compliance Officer.
- r) **Awareness of Conflicts of Interest Policy by Relevant Persons.** Relevant Persons shall be given a copy of this Policy. The Compliance Officer shall ensure that Relevant Persons of the Company are aware of their responsibilities in terms of this Policy. In particular directors, employees, managers, officers or members of the committees of the Company must report to their supervisors any potential conflicts of interest related to the proposed transaction. The Head of Operations shall ensure that clear communications of policies, procedures and expectations are duly communicated to all parties concerned in order to ensure that in case of a potential conflict of interest, the necessary disclosures are made and the conflict of interest may duly be dealt with.
- s) **Disclosure to Clients.** In case where the potential risk cannot be effectively managed with reasonable confidence to prevent the risk, the Company shall clearly disclose in a durable medium the general nature and/or sources of conflicts of interest to its Clients in writing by publishing such conflicts on its website and/or by providing written disclosures to the prospective Client in order that the Client makes an informed decision about whether to deal with the Company in particular circumstances. To this end, the Company



will, to the extent possible, be making a separate conflicts disclosure document available to Clients. The Compliance Officer shall be responsible to ensure that the disclosures are fair, clear and not misleading.

- t) **Outside Business & Other Directorships.** In case where any of the Relevant Persons undertakes other business activities which may conflict with the interests of the Company, the Relevant Persons shall disclose such involvements to the Compliance Officer of the Company (or in case where the Compliance Officer has a conflict of interest, or a potential conflict of interest, such disclosure shall be made to the Board of Directors). The Board of Directors shall determine the appropriate action to be taken on a case by case basis in relation to the respective conflict of interest or potential conflict of interest. The written disclosure shall be kept by the Company on file and will be updated as appropriate.

D7. If a director, a member of any committee of the Company, any of the Relevant Persons, is concerned about a potential conflict of interest, he is encouraged to discuss this with the Compliance Officer. If the Compliance Officer has a conflict of interest or potential conflict of interest, the Compliance Officer should report to the Board of Directors of the Company.

E. REPORTING OF CONFLICTS OF INTEREST

E1. In the case of identification of a possible conflict of interest, a staff member must refer it initially to his immediate supervisor to assist in the assessment of a material risk of damage and send a completed Notification Form together with full details to allow regulatory scrutiny, of:

- a) corrective and preventive actions;
- b) how these actions were considered appropriate;
- c) any conditions imposed; and
- d) whether there are still ongoing conflicts, how these are being managed and advised to the Client.

F. MONITORING AND REVIEW

- F1. The Compliance Officer is responsible for the monitoring of the effectiveness of the policies and procedures to handle conflicts of interest.
- F2. This Policy is to be reviewed at least once a year. The Compliance Officer is responsible for its maintenance and review.

Document Version Log

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