

CONFLICTS OF INTEREST POLICY

1. Scope

The European Parliament and Council adopted in 2004 the Directive on Markets in Financial Instruments (the MiFID), which has come into effect as from 1/11/2007. Under this Directive, investment firms are required to establish, implement and maintain a conflicts of interest policy.

2. Purpose

The purpose of this document is to set out the basic requirements of the policy and procedures followed by SPA FINANCIAL SERVICES LTD in respect of conflicts of interest.

3. Policy

In accordance with the requirements of MiFID, SPA FINANCIAL SERVICES LTD has adopted a policy for the identification and management of conflicts of interest, in relation to investment and ancillary services and investment activities (as such terms are defined in MiFID) carried out by or on behalf of SPA FINANCIAL SERVICES LTD.

The policy concerns conflicts of interest that may arise between SPA FINANCIAL SERVICES LTD, including its managers, employees and tied agents, or any person directly or indirectly linked to it by control, and its clients or between one client and another, in the course of providing any investment or ancillary services, or combinations thereof. SPA FINANCIAL SERVICES LTD implements the policy so as to respect market transparency and integrity and with a view to taking all reasonable steps designed to prevent conflicts of interest from adversely affecting the interests of its clients.

SPA FINANCIAL SERVICES LTD takes all reasonable steps to:

- a) Identify the circumstances which constitute or may cause a conflict of interest, arising in the course of providing investment or ancillary services or a combination thereof and entailing a material risk of damage to one or more clients, and
- b) Manage such conflicts.

The conflicts of interest policy of the SPA FINANCIAL SERVICES LTD is designed with a view to taking all reasonable measures to:

- **Prevent conflicts of interest from adversely affecting clients' interest.** Such measures include the possibility of declining to carry out a transaction or declining to provide services;
- **Protect clients' best interests in all business activities** and maintain the confidentiality of information across all levels.

The Compliance officer has the overall responsibility for the maintenance of policies and procedures regarding conflicts of interest. The Internal Audit function executes periodical auditing in order to ensure that the policy and procedures regarding conflicts of interest are strictly followed. Both functions are independent from business units.

4. Organisational and administrative arrangements and controls

In general, the procedures and controls implemented by SPA FINANCIAL SERVICES LTD regarding conflicts of interest include the following measures:

- **Segregation (Chinese Walls) between business activities likely to generate conflicts of interest.** These arrangements ensure physical separation of departments, prevent undue circulation of confidential information, and prevent the use of confidential information in ways that may damage market integrity or clients' interests;
- **Procedures designed to identify, prevent, manage and/or disclose conflicts of interest** when providing various investment or ancillary services or combinations thereof;
- **Administrative and organizational arrangements** designed to ensure the independence of investment research;
- **Procedures to ensure the proper execution of client orders**, particularly in relation to allocation of assets or financial instruments, and primacy of clients' orders over trading for SPA FINANCIAL SERVICES LTD own account;
- **Staff dealing procedures**
- **Remuneration policies for SPA FINANCIAL SERVICES LTD employees** specifically designed to prohibit direct profit – sharing success fees for a specific transaction;
- **Official table of charges, fees and commissions.**

Where our organisational or administrative arrangement are not sufficient to ensure, with reasonable confidence, that risks of damage to client interests will be prevented, SPA FINANCIAL SERVICES LTD will either decline to act or, where confidentiality considerations permit, will disclose the general nature and/or sources of conflicts of interest to the client or potential client, before undertaking business on its behalf, in order to enable that client to take an informed decision with respect to the investment or ancillary service in the context of which the conflict of interest arises.

5. Additional information

Additional details on the conflicts of interest policy of SPA FINANCIAL SERVICES LTD are available upon request.

6. Review

SPA FINANCIAL SERVICES LTD reserves the right to review and/or amend its conflicts of interest policy and arrangement whenever it deems this appropriate.

