

**Approved by the Board of Directors  
On 15 July 2015**

# **CONFLICTS OF INTEREST POLICY**

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**CONFLICTS OF INTEREST POLICY**

## CONFLICTS OF INTEREST POLICY

**PMT Matrix Capital Ltd.** («PMT», the «Company») is a Cypriot Investment Firm established in accordance with the laws of the Republic of Cyprus and regulated by the Cyprus Securities and Exchange Commission.

This «Conflicts of Interest Policy» (the «Policy») of PMT is a document which lays down the basic principles of identification, prevention, management and/ or disclosure of Conflicts of Interest («CI») on a consistent basis.

The Policy is drafted in accordance with requirements of the legislation of the Cyprus Securities and Exchange Commission and other competent authorities of European Union.

Except as expressly provided otherwise, all terms and definitions stated in this document shall have the meanings assigned to them by relevant legislative acts of the Republic of Cyprus and European Union.

The document is designed for consideration of the Clients of the Company before and in the course of provision of investment and/ or ancillary services and activities to them.

By accessing and reading this document the person acting in the capacity of potential or existing Client of the Company provides his express consent to its terms.

Current version of the Policy is placed at the official website at [www.pmt.com.cy](http://www.pmt.com.cy).

The Company shall notify its Clients of any material change to this Policy by posting an updated version of this document on the website; however, the Clients would not be expressly notified of any such changes, therefore, it is highly recommended to refer to the current versions of the Policy and other applicable documents regularly.

### GENERAL PROVISIONS

PMT maintains and operates effective organizational and administrative arrangements aimed at taking all reasonable steps securing the prevention the Conflicts of Interest from adversely affecting the interests of its Clients.

A Conflict of Interest is a situation in which the interests of PMT in course of provision of investment and/ or ancillary services or activities may contradict to the interests of the Client; a situation in which the interests of different Clients may contradict between themselves thus affecting each other adversely is also considered a Conflict of Interests. It should be pointed out, nevertheless, that to entail a CI it is not sufficient that PMT may gain a benefit in a specific situation, unless there is also a possible disadvantage to a Client, or that one Client to whom PMT provides an investment or ancillary service may make a profit or avoid a loss at the expense of another Client.

Conflicts of Interest may take various forms; they may involve an actual direct conflict between current duties and/ or interests, or potentially involve likely future conflicts.

PMT or any other related Person involved in the provision of investment and/or ancillary services or activities, may in its absolute discretion, effect transactions in which PMT or any of such Persons has, directly or indirectly, a material interest, or a relationship of any description with another Person or Third Party which may involve a potential conflict with the PMT's duty to the Client.

PMT will ensure that such transactions are effected on terms which are not materially less favourable to the Client than if the potential conflict had not existed. Additionally, there are certain arrangements and measures aimed at avoidance of CI possibly detrimental to Clients.

### **CONFLICTS OF INTERESTS IDENTIFICATION**

For the purpose of identifying the types of Conflicts of Interests PMT considers situations where PMT or any person connected to PMT, including its employees, service providers, Directors, Shareholders:

- Gains, or is likely to gain a profit or avoids, or is likely to avoid a loss, to the damages or loss of a Client;
- Has an interest in the outcome of a service provided to the Client, which is different from a Client's interest in that outcome;
- Has an incentive to favour its own interests above those of a Client;
- Has a financial or other incentive to favour one Client over another;
- Carries on the same business as the Client,
- Receives from a person other than a Client an inducement in relation to a service provided to a Client, other than the standard commission or fee for such service.

### **POTENTIAL CONFLICTS OF INTEREST SITUATIONS**

Potential Conflicts of Interest may arise in the course of provision of investment and/or ancillary services, among others, in the following situations:

- PMT undertakes Portfolio Management activities for other Clients;
- A transaction is effected in Financial Instruments issued by an affiliated company or the client of an affiliated company;
- A transaction is effected in Financial Instruments in respect of which PMT or an affiliated company may benefit from a commission or fee payable otherwise than by the Client, and PMT may be remunerated by the counterparty to any such transaction;
- PMT deals on behalf of the Client with, or in the Financial Instruments of, an affiliated company;
- A transaction is effected in Financial Instruments in respect of which PMT or an affiliated company or a director or employee of PMT or an affiliated company, is trading or has traded on its own account or has either a short or long position;
- A transaction is effected in units or shares of collective investment funds or trusts or unit trusts or open ended investment companies or of any company of which PMT or an affiliated company is the manager, adviser or custodian.
- Between the client and the Company;
- Between two clients and the Company;
- Between the Company and its employees;
- Between a client of the Company and an employee/ manager of the Company.

## **CONFLICTS OF INTEREST MANAGEMENT**

General approach of PMT towards the Conflicts of Interest management is based on the principle that PMT prevents or properly manages Conflicts of Interests that might arise as a result of the various services of PMT or any connected persons or third parties from adversely affecting the interests of the Client.

This approach is implemented by means of the following measures and procedures:

### **Information Barriers**

PMT has established and operates internal organizational arrangements to avoid Conflicts of Interests by controlling, managing or restricting as judged appropriate the flow of information between different areas of business or within a specific department. In particular, Chinese Walls are a key tool for Conflict of Interests prevention, aimed at avoiding insider dealing and market manipulation risks. Chinese Walls may involve segregation and separation of personnel, reporting lines, filing systems and IT procedures and other controlled methods for the movement of information and personnel between PMT and any of the other persons or third parties. Specifically, PMT maintains permanent information barriers between Portfolio Management Department and other businesses.

### **Handling of Confidential Information**

The following principles are adopted in handling confidential and inside information:

- PMT secures that all applicable legislative requirements in handling of the inside information are met on a consistent basis;
- PMT will disclose any part of the confidential information to external entities only if such disclosure is required by the applicable laws or if such disclosure is envisaged in the provision of appropriate services;
- Inside Information is subject to the Chinese Walls procedures;
- Client information will always be treated basing on the appropriate level of confidentiality.

### **Policies and Procedures**

Administrative arrangements include development and implementation of policies and procedures that address Conflict of Interests issues and the obligation to act in the Client's best interest such as Order Handling and Execution Policy/ Best Execution Policy.

### **Assessment and Monitoring**

Further administrative measures include maintenance of internal reporting and controls and monitoring of the effectiveness of the policies and procedures and CI handling.

## **Record Keeping**

PMT keeps and regularly updates a record of investment and ancillary services and activities in which a Conflict of Interest detrimental to a Client has arisen or might have arisen.

## **Disclosure**

In case the measures that are undertaken in order to avoid or manage Conflicts of Interests are not sufficient to manage a certain conflict, PMT will disclose to its Client the general nature and/ or sources of this particular conflict before acting on behalf of the Client. Upon such disclosure, which is provided in the clear, appropriate and complete form, the Client will assess the conflict situation and will take an informed decision with respect of the services to be provided.

Such disclosure shall be made via a durable medium.

## **Personal Transactions**

The Company has implemented a policy to prohibit all members of the Company's Board of Directors, Senior Management, Employees, Officers and any other 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 or/ and the performance of investment activities, from opening an account with the Company in order to perform personal transactions.

The employees of PMT and connected third parties must at all times avoid the use of confidential, price sensitive or inside information in executing private transactions.

## **Inducements**

PMT does not accept or offer any inducements, other than the following:

- Fees and/or commissions provided to or by a Client or a person acting on behalf of the Client,
- Fees and/or commissions provided to or by a third party or a person acting on behalf of such third party, provided that the following prerequisites are met:
  - Such fee and/or commission is disclosed to the Client prior to the provision of the relevant service and
  - The employment of such third party and of its services is made to the effect of enhancing the quality of the services provided and such employment is effected basing on the principles of PMT's Order Handling and Execution Policy/ Best Execution Policy aiming at achievement of the best interest of the Client,
- Proper fees and/ or commissions for the provision of investment services, such as Portfolio Management Fees.

## **Remuneration**

The Company does not create possibilities for any direct links between the remuneration of relevant persons principally engaged in 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. This

is achieved by separate supervision of each department, separate reporting lines and restrictions in the information flows.

**Roles and responsibilities**

Senior Management of the Company is responsible for prevention, identification and management of the possible or actual Conflicts of Interests in areas of business applicable to each department and employee.