

**JOINT-STOCK COMPANY
„AIFP BALTIC ASSET MANAGEMENT”**

CONFLICT OF INTEREST PREVENTION POLICY

1. PURPOSE OF THE DOCUMENT

1.1. The purpose of the Conflict of Interest Prevention Policy (hereinafter - the Policy) is to determine: the circumstances related to the services and ancillary services and management provided by the Law on Alternative Investment Funds and their Managers of the Republic of Latvia Law "On Alternative Investment Funds

and their Managers" of the Joint Stock Company "AIFP Baltic Asset Management" (hereinafter - the Company), which cause or may cause harm to the interests of one or more of the Company's clients;

1.2. Procedures and measures taken by the Company to prevent conflicts of interest.

2. DEFINITIONS

2.1. **Fund** - the Company's managed Alternative Investment Fund, registered in accordance with Swedish laws and whose shares are traded on the regulated market;

2.2. **Fund Investor** - a person who owns the Fund's investment shares;

2.3. **Customer** - a person to whom the Company's services or ancillary services is or will be provided within the meaning of the Law "On Alternative Investment Funds and their Managers" of the Republic of Latvia persona, as well as in a broader sense (if arising from the laws and regulations of the Republic of Latvia) - Investors of the Fund. The procedures followed by the Company and the measures taken to eliminate conflicts of interest are applicable to all of the Company's customers.

2.4. **Persons related to the Company** - any of these persons:

2.4.1. The chairman, member, other official, affiliated agent or other person of the board or council of the Company, who makes civil liability to the Company by taking important decisions;

2.4.2. The chairman, member of the board or council of the tied agent or any other person who, on behalf of the tied agent, makes civil liability in respect of important decisions;

2.4.3. Company employee;

2.4.4. Employee of an agent of the Company, as well as any other natural person involved in the provision of services and ancillary services provided by the Company and controlled by the Company;

2.4.5. a natural person who is directly involved in the outsourcing of services to the Company or in the provision of a delegated service to the Company.

3. IDENTIFICATION OF CONFLICTS OF INTEREST

3.1. Conflicts of interest that may adversely affect the interests of the Company's customers may arise between:

3.1.1. The Company, persons related to the Company, persons who directly or indirectly control the activities of the Company, and clients of the Company;

or

3.1.2. Customers of the Company.

3.2. A conflict of interest shall be presumed where:

3.2.1. The Company provides services and ancillary services within the meaning of the Republic of Latvia Law "On Alternative Investment Funds and their Managers"; and

3.2.2. The client's interests may be harmed.

3.3. Signs of conflict of interest:

3.3.1. Company, a person specified in Clause 2.4 of the Policy, a person who directly or indirectly controls the Company could make a profit or prevent financial loss at the expense of the Company's customer;

3.3.2. Company, a person specified in Clause 2.4 of the Policy or a person the person who

directly or indirectly controls the Company is interested in the result of a service rendered to the Company by the Company or a transaction on behalf of the customer that does not meet the interests of the customer;

3.3.3. Company, a person specified in Clause 2.4 of the Policy or a person who directly or indirectly controls the Company, whether financially or otherwise, has an interest in acting on behalf of another client or group of clients;

3.3.4. Company, a person specified in Clause 2.4 of the Policy or a person who directly or indirectly controls the Company performs the same professional activity as the customer of the Company;

3.3.5. Company, a person specified in Clause 2.4 of the Policy or a person, which directly or indirectly controls the Company, carries out the same activities in the interest of different customers.

3.3.6. Company, a person specified in Clause 2.4 of the Policy or a person, who directly or indirectly controls the Company, receives or will receive consideration for services rendered

to the Company from another person in the form of money, goods or services other than the standard fee for that service.

3.4. Given the specific nature of the Company's operations, a conflict of interest in managing the Funds may arise in the following situations:

3.4.1. The Company, when dealing with financial instruments included in the portfolio of the Fund and, at the same time, for its own account;

3.4.2. The Company, when dealing in financial instruments included in the portfolio of two or more Funds (for example, the Company is both a buyer on behalf of one Fund and a seller on behalf of another Fund);

3.4.3. Employees of the Company, when dealing with financial instruments included in the Fund's portfolio and, at the same time, performing personal transactions;

3.4.4. purchase of financial instruments issued by the Company at the expense of the Fund in its portfolio;

3.4.5. purchase of investment shares of another Fund at the expense of one Fund, if such possibility is provided in the Fund's basic documents.

3.5. The Company continuously monitors and updates information about those management services and ancillary services, as well as situations that have caused or may cause a conflict of interest that significantly endangers the interests of one or more customers by creating special lists.

4. MEASURES TO AVOID CONFLICTS OF INTEREST

4.1. In order to ensure a sufficient degree of independence of the Company in the prevention of conflicts of interest, the Company shall comply with the following procedures and take the following measures:

4.1.1. The Company sets high standards of professional conduct and ethics, including in situations where there is a risk of conflict of interest;

4.1.2. Employees of the Company shall become aware in writing of a prohibition on the exchange of information between persons associated with the Company who engage in activities involving a high risk of conflict of interest if such exchange of information could adversely affect the interests of one or more of the Company's customers;

4.1.3. The Company's Organizational Structure is designed to provide separate oversight of those associated with the Company whose primary responsibilities are to act on behalf of clients or to provide services to clients or who represent other interests, including those of the Company, that may conflict with the interests of the customer;

4.2. The same employee of the Company may not perform the management of financial instruments owned by the Company and the execution or assignment of orders related thereto and the management of customers' financial instruments and the execution or assignment thereof;

4.3. The Company's Remuneration Policy is designed to avoid a direct link between the remuneration or the income of the Company's affiliates whose activities are related to the provision of different investment and management services where conflicts of interest may arise with respect to activities performed in the investment and management services process;

4.4. The Company follows measures that prevent or limit third party improper influence on the service and the progress of the ancillary services (such as prohibiting the reimbursement of services provided to the customer from another person in the form of money, goods or services other than the standard fee for the service);

4.5. The Company shall comply with measures that prevent or control the simultaneous or sequential involvement of a person associated with the Company in the provision of various services and ancillary services where such involvement may impair the proper management of conflicts of interest.;

4.6. The Company controls that persons related to the Company comply with restrictions on personal transactions;

5. MEASURES FOR MANAGING CONFLICTS OF INTEREST

5.1. Employees of the Company are provided with the opportunity to evaluate the effectiveness of the measures taken to prevent and manage conflicts of interest related to the performance of their duties and, if necessary, to report their shortcomings.

5.2. Control of the Company's activities and procedures for the prevention and management of conflicts of interest is exercised by the Company's Compliance and Legal function, who:

5.2.1. organize and control the preparation, implementation and compliance with relevant procedures and policies;

5.2.2. organize training of the Company's employees to ensure sufficient level of implementation of measures for the prevention and management of conflicts of interest in the daily operations of the Company;

5.2.3. advise the Company's employees on whether there is a conflict of interest in the particular situation and how to prevent or manage this conflict of interest.

6. NOTIFICATION OF CUSTOMERS ABOUT CONFLICTS OF INTEREST

6.1. Where the organizational or administrative measures taken by the Company to manage conflicts of interest are not sufficient to ensure with reasonable assurance that the risk of harm to its clients' interests will be eliminated, the Company shall:

6.1.1. inform the Fund's investors by any appropriate durable medium about such event and the decision of the Board of the Company necessary to ensure the protection of the interests of the Fund and its investors;

6.1.2. clearly discloses to the customer to whom the service or ancillary service is provided within the meaning of the Alternative Investment Funds and their Managers Law, the nature or sources of the conflict of interest before commencing the provision of the relevant service or ancillary service to the customer; Notice to the client must be given in writing; The relevant service or ancillary

service may be provided to the customer only if the customer has expressly agreed to receive the service or ancillary service in the event of a conflict of interest.

6.2. Prior to commencing the provision of services and ancillary services within the meaning of the Law on Alternative Investment Funds and their Managers, the Company shall inform the Fund's investors through any appropriate durable medium about:

6.2.1. Activities of the Company which may cause other conflicts of interest not mentioned in clause 3.1;

6.2.2. the nature of the conflict of interest and the reasons for its occurrence, if the measures taken to prevent the conflict of interest in the opinion of the Company are not sufficient to prevent possible damage to the interests of the Fund's investors.

7. FINAL PROVISIONS

7.1. The Policy shall enter into force on the date of its approval and remain in its current form until amended, supplemented or revoked.

7.2. The Policy may be amended, supplemented or revoked only by decision of the Council of the Company.

7.3. Any amendments or additions to the Policy shall take effect on the date of their publication on the Company's website www.balticasset.eu.